

ORIGINAL	
N.H.P.U.C. Case No.	DT 07-011
Exhibit No.	RR 3
Witness	Steve Freeman
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DT 07-011
Responses to Record Requests
Issued at March 19, 2012 Hearing
April 2, 2012
PUBLIC

3. Given that the SQI plan was designed as a penalty, is FairPoint willing to voluntarily "kick-in" additional funds for broadband expansion to be spent along with the SQI penalty funds. No amount was specified and the Commissioner wants to know (i) are we willing to add to the SQI penalty fund and (ii) if so, how much.

Response: Yes, as an indication of its commitment to further broadband expansion, FairPoint is willing to contribute an additional \$500,000 (the "Additional Contribution") on top of the SQI penalty funds approved by the Commission, conditioned upon the 95% broadband build commitment be extended from March 31, 2013 to December 31, 2013. For the avoidance of doubt, FairPoint is committing to complete the 95% program as well as the additional expansion using the SQI penalty funds and FairPoint's contribution of \$500,000 by December 31, 2013. Altogether, the total committed funds for further broadband expansion would be \$3,323,751. In the event, however, the Commission orders any portion of the SQI penalty funds be refunded to customers, then FairPoint's Additional Contribution would be reduced on a proportionate basis.

Failure by FairPoint to achieve the 95% broadband availability rate by December 31, 2013, means that FairPoint would be subject to the penalties prescribed in Exhibit E of the Reorganizational Settlement Agreement, approved by the Commission on July 7, 2010, in Docket DT 10-025. There would be no penalties associated with the broadband expansion from the use of the SQI penalty funds or the Additional Contribution.