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Via Federal Express and Electronic Filing

Debra A. Howland Executive Director and Secretary State of New Hampshire Public Utilities Commission 21 S. Fruit Street, Suite 10 Concord, New Hampshire 03301-2429

# RE: Request for Approval of Affiliated Interest Transaction and Transfer of Assets of Verizon's Property and Customer Relations to be Merged with and into FairPoint Communications, Inc., Docket No. DT 07-011

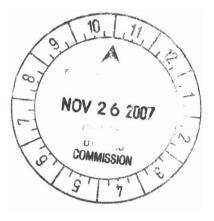
Dear Executive Director and Secretary Howland:

In accordance with the Commission's ruling, permitting Rural Economic Development Network, Inc. ("REDN") late-filed intervention status, REDN submits these post-hearing comments in support of the adoption of the terms of a Settlement Agreement between FairPoint Communications, Inc. (FairPoint) and REDN, which is expected to be filed with the Commission in the context of this proceeding. REDN requests that the Commission either approve this settlement, in its final order, or provide that its approval of this transaction between FairPoint and Verizon incorporate, as necessary conditions ("CLEC Settlement Conditions"), the settlement terms set forth in Sections 1-7 of the agreement. With these conditions, REDN supports the approval of this transaction without any additional wholesale conditions.

#### Existing Interconnection Arrangements with Verizon and REDN

REDN is a competitive local exchange carrier in New Hampshire that has interconnection arrangements with Verizon – New Hampshire. Currently, REDN purchases certain dark fiber transport services as unbundled network elements (UNEs) from Verizon, and also purchases collocation arrangements in various Verizon wire centers. REDN obtains these arrangements through Verizon's Wholesale Tariff No. 84, as established by Order of this Commission and as implemented pursuant to 47 U.S.C. 251(c) and 252(d)(2). REDN also relies on just, reasonable and nondiscriminatory access to Verizon's Operating Support Systems (OSS) and other





### ADLER POLLOCK @ SHEEHAN P.C.

Debra A. Howland Executive Director and Secretary State of New Hampshire Public Utilities Commission November 21, 2007 Page 2

protections that were demanded of Verizon, as a Bell Operating Company (BOC) under 47 U.S.C. 271. Through these wholesale arrangements, REDN is able to offer customers in New Hampshire with competitive services.

#### The Terms of the CLECs Settlement Conditions will Maintain These Existing Arrangements

The Settlement Agreement reached between FairPoint and REDN will provide for necessary stability and protection of REDN's ability to continue to obtain wholesale inputs from FairPoint, if the Commission authorizes the merger. Specifically, Sections 1-7 of the Settlement Agreement provides the following commitments by FairPoint:

- FairPoint agrees to the obligations imposed by Section 251(c) on incumbent LECs (ILECs) and will not allow FairPoint to assert any waiver or exemption of these obligations as a "rural" or "2% carrier" as contemplated in Section 251(f)(1) and (2) of Title 47;
- 2. FairPoint agrees to offer REDN with the checklist items listed in Section 271, at "just, reasonable and nondiscriminatory rates, as if FairPoint were a BOC and provides a mechanism to resolve disputes, with this Commission;
- 3. FairPoint agrees to the terms of the Verizon Performance Assurance Plan (PAP), implemented as a result of the Section 271 proceeding and commits FairPoint to develop a simplified PAP;
- 4. FairPoint agrees to work with REDN, and other CLECs, to implement a new wholesale interface arrangement and to allow third party input into the testing schedule and structure for FairPoint's OSS;
- 5. FairPoint agrees to freeze rates for UNEs and collocation arrangements obtained pursuant to existing NH Tariff No. 84, for a term of at least three (3) years, and to cap existing intrastate and interstate access charges for three (3) years;
- 6. FairPoint agrees to avoid a re-classification for at least three (3) years of the impairment status of any wire center in New Hampshire not currently listed as "non-impaired"; and

#### ADLER POLLOCK @ SHEEHAN P.C.

Debra A. Howland Executive Director and Secretary State of New Hampshire Public Utilities Commission November 21, 2007 Page 3

7. FairPoint agrees not to seek "forbearance" from any of the Section 251 obligations for a period of three (3) years.

For these reasons, REDN recommends that the Commission approve the terms of the Settlement Agreement described more specifically at Section 1-7 of the agreement between FairPoint and REDN in any final order that approves of the merger between FairPoint and Verizon. Alternatively, REDN requests that the Commission incorporate the terms of Sections 1-7 of this Settlement Agreement in their entirety, in any order of the Commission that approves of this transaction, without the need for any additional wholesale conditions applicable to REDN as a CLEC in New Hampshire.

Respectfully Submitted,

Alan M. Shoer

Counsel for Rural Economic Development Network, Inc. ("REDN")

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