

THE STATE OF NEW HAMPSHIRE

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June 1, 2017

Re: DT 16-872 Consolidated Communications Holdings, Inc., Order No. 26,022

To the Parties:

Enclosed are revised pages 33 and 34 of Order No. 26,022 (May 31, 2017).

On page 33, line 2, "Tr. 5/25/17 at 14, 27-28." has been changed to "Tr. 5/25/17 at 16, 29-30."

On page 34, line 14, "*Id.* at 15, 29." has been changed to "*Id.* at 17, 31."

On page 34, line 16, "*Id.* at 20." has been changed to "*Id.* at 22."

All other portions of this order remain unchanged. Please substitute the enclosed revised pages to your copy of order No. 26,022.

Very truly yours,

A handwritten signature in black ink, appearing to read "Debra A. Howland".

Debra A. Howland
Executive Director

Enclosure
cc: Service List
Docket File

business,” attempting to deal with both competitive pressures and technological advances.

Tr. 5/25/17 at 16, 29-30.

We have reviewed the record in this proceeding and the terms and conditions of the Settlement Agreement. The record supports the conclusion that CCHI and its subsidiaries have extensive experience operating telephone carriers, including both ILECs and CLECs, and that they have successfully acquired and integrated a number of ILECs in the relatively recent past. We do share, however, the concerns raised by Staff and the Labor Intervenors regarding the scope and scale of the FairPoint acquisition, the lack of experience with RBOC obligations, and the ongoing nature of diligence investigations and transition planning. We believe that the settlement terms and conditions are reasonably designed to address those concerns, in particular as they relate to the provision of basic service to retail customers under state law and of wholesale services to competitors under federal and state law. In the absence of the commitments undertaken in the Settlement Agreement, we are not convinced that the record would support the findings required to be made regarding CCHI’s technical, managerial, and financial capability to meet FairPoint’s ILEC obligations under state and federal law. We now review those settlement terms and conditions in more detail.

The Settlement Agreement contains a number of commitments, obligations, and protections intended to cover wholesale service operational continuity and stability. Those provisions are largely focused on preserving the status quo operation of the FairPoint-NNE wholesale services group and the services it provides to CLECs and to other competitive telecommunications carriers. The transitional protections extend to key employee retention, systems continuity, change management processes, communications, and training, and continuation of the WPP performance standards and penalty provisions. Wholesale service

availability and pricing are addressed by commitments intended to protect ICA terms and conditions, tariffed wholesale service offerings, local number porting requirements, and continuing provision of UNEs even in wire centers found to be unimpaired, all of which commitments will be effective for specified time periods. Although the Settlement Agreement references only “Tariff No. 3: Access Tariff,” in New Hampshire there are three applicable tariffs that cover wholesale, access, and resale. Tariffs 2 and 4 will remain in place, with any proposed revisions to those tariffs required to be approved by the Commission pursuant to Puc 404.05 and RSA 378.

We find the settlement terms and conditions intended to ensure continuity, stability, availability, and level pricing of wholesale services provided by FairPoint-NNE following the merger to be just and reasonable. We note that those commitments are based in large part on a settlement reached in the similar proceeding pending before the Maine Public Utilities Commission, in which a number of CLECs and a CLEC trade association have intervened and actively participated. *Id.* at 17, 31. We also acknowledge CCHI’s stated goal to have the FairPoint-NNE wholesale services group manage the wholesale services function on a company-wide basis for all of CCHI’s ILEC subsidiaries. *Id.* at 22. That stated goal and the numerous transition period commitments should serve to alleviate concerns regarding the provision of wholesale services specific to RBOCs in view of CCHI’s lack of experience with RBOC obligations.

With respect to the network expansion capital expenditure obligation, we believe it demonstrates a meaningful commitment to pursuing strategic business opportunities and enhancing the growth and stability of the New Hampshire network. Those expenditures may effectively improve the quality of basic service and wholesale service offerings, as well as