Proposal to Broadband Solution for Three Unbridged Islands Town of Cranberry Isles

January 16, 2017

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January 13, 2017

Denise McCormick, Town Clerk
Town of Cranberry Isles
P.O. Box 56
Islesford, ME 04646

Dear Denise,

On behalf of Northern New England Telephone Operations LLC and Enhanced Communications of Northern New England Inc. (collectively, "FairPoint" or "FairPoint Communications" herein), I want to thank you for the opportunity to respond to your Request for Information for Broadband services for the Town of Cranberry Isles ("Town").

Respondent(s) must submit a cover letter signed by an authorized representative of the entity. The cover letter must include the following:
 A concise summary of the response to the RFI.
 The legal name of the entity, its headquarters address, its principal place of business, its legal form (i.e. corporation, joint venture, limited partnership, etc.).
 The name, address, email address and telephone number(s) of the principal contact(s) for all communications pertaining to the RFI.

Executive Summary

FairPoint Communications recognizes both the challenge and the need to provide dependable broadband service to the Cranberry Islands. Any decision the Town will make will have to balance the desired goals and objective with the cost to build the necessary broadband network infrastructure. As such, we would like to propose a phased approach for the Town's consideration to achieve the Town's overall goal to provide broadband service that will meet the needs of the current population on the islands. This will allow the Town to focus on the short-term needs of the islands' residents and build the platform for potential future upgrades to the network to address growing bandwidth demand. This will also help the Town address the funding issues that will come with building the desired network infrastructure on the islands. We will break our overview into two phases or projects that achieve the near-term priorities (see below) and provide cost estimates that should help the Town with its planning and decision making.

Legal Entity Name: Enhanced Communications of Northern New England Inc. and Northern New England Telephone Operations LLC.

The holding company's corporate headquarters and principal place of business is: 521 East Morehead Street, Suite #500, Charlotte, NC 28202. Enhanced Communications of Northern New England Inc. and Northern New England Telephone Operations LLC have offices located at 1 Davis Farm Road, Portland, ME 04103

Priorities:

Our proposal will address two key priorities:

1. Viable Residential & Commercial Internet Access to Little Cranberry Island (LCI)
2. Improved Internet Access Speeds to Great Cranberry Island (GCI)

FairPoint recently upgraded the Northwest Harbor central office (CO) with next-generation equipment. As a result, broadband service is now available to a majority of the homes on Sutton Island.

Implementing solutions for the two priorities above can assist the Town with improved economic viability by encouraging more year-round residency, improving the quality of the educational and telehealth experiences available on the island, and providing the necessary Internet connectivity options for commercial businesses.

Viable residential Internet access speeds may be up to 25/2 Mbps for many locations by utilizing ADSL2+bonded technology and existing copper facilities. However, for some, the available "up to" speeds could be 10/1 Mbps or less.[1] Although this is less than the 25/10 Mbps speed requested in the RFP, it represents a significant improvement and is sufficient for most applications today (www.fcc.gov/reports-research/guides/broadband-speed-guide).

For business needs outside of the above speeds, commercial Internet access utilizing dedicated fiber connectivity to FairPoint's Carrier Ethernet Service (CES) would allow businesses, schools, telemedicine and other anchor institutions to have dedicated symmetrical gigabit Internet access, but at a price range that would be outside the requested $40-80 per month range and may require additional nonrecurring charges for construction.

Other technology solutions for providing higher-speed Internet include very-high-bit-rate digital subscriber line (VDSL) and FTTP. If the Town wanted to pursue an alternate solution, a VDSL solution could provide additional Internet access speeds of up to 50/20 Mbps or 30/10 Mbps for a number of locations. VDSL technology solution would provide a path toward a subsequent Fiber-to-the-Premise (FTTP) solution capable of much higher speeds to residential locations and less expensive shared (not-

[1] Our residential and business High Speed Internet (HSI) offerings are based on maximum achievable speeds. The actual speed available to a customer can vary and is based on factors such as the distance between the customer premises and our equipment. These maximum speeds are based on "line rate" data packet transfer measurement tests from the serving electronics to the network terminating modem port, which is more generally explained as the speed that can be attained over the last mile of our network to the customer's modem. Actual speeds reported by customers, which are typically generated using generic online speed test measurement programs, can vary from a customer's purchased speed due to several variables in the customer location or beyond our network peering providers. Additional factors impacting HSI speed can be located here http://www.fairpoint.com/global/consumer_disclosures/index.jsp.

dedicated) commercial access for businesses and institutions more concerned with the price than the guaranteed quality of service.

While VDSL and FTTP are both potential technology options for serving the islands, these would require significant enhancements to the corresponding CO and upstream facilities. The construction costs of VDSL and FTTP solutions are significantly higher, while the corresponding incremental benefit is far less than the CES & ADSL2+Bonded solution. FairPoint feels this hybrid CES & ADSL2+Bonded solution would provide the greatest economic cost benefit and opportunity for growth.

Therefore, FairPoint is recommending the following:

A. Implement the following solutions for LCI & GCI:
    a. Deploy an undersea fiber cable between GCI and LCI.
    b. Deploy an ADSL2+Bonded capable RT on LCI. (ADSL 2+ Bonded is already available to Sutton Island today).
    c. Upgrade the RT on GCI with capability to provide ADSL2+Bonded speeds.
    d. Extend the availability of CES to commercial businesses and anchor institutions on LCI (CES is currently available today on GCI).
B. Defer the Fiber-to-the-Premise (FTTP) objective for the islands to a later time
    a. We believe that implementing the solutions to meet the two priorities above would likely have a positive incremental impact on the economy of the islands.
    b. It will also put the Town in a better position gather information and explore options to offer the availability of Gigabit capable Internet access on GCI & LCI.

Here are two mutually dependent parts that make up our proposal:

I. Build Subsea cable between Great Cranberry Island and Little Cranberry Island
II. Extend fiber on Little Cranberry and add an ADSL2+Bonded capable RT on both islands

Part I – Building a Subsea cable between Great Cranberry and Little Cranberry

We propose that the Town pursue grant funding in order to build an undersea fiber cable extending between GCI and LCI. FairPoint would build this cable and the Town would own it for some period of time and pay for it utilizing the grant funding secured by the Town (e.g. Northern Border Regional Commission grant).

FairPoint would build, operate and maintain the subsea cable on behalf of the Town conditioned upon the Town's agreement to certain terms and conditions that will include, among other things, the following:

- FairPoint would build (per our specifications) the sub-sea fiber cable between the islands. The Town and/or grant-funding would cover all costs associated with the sub-sea fiber cable.
- FairPoint would operate and maintain this cable system for the predetermined period per the grant requirements.
- This would be in exchange for leased capacity and exclusive right-to-purchase the facility from the Town at the end of the finance period.

- The subsea cable between the islands would be an open access facility. FairPoint will provide billing and collection on behalf of the Town for any service providers leasing capacity on this fiber.
- The cost estimate to build the undersea cable is between $250,000 - $300,000.

Part II - Extend CES to Little Cranberry and add an ADSL2+Bonded capable remote terminal on both islands

- FairPoint would extend CES availability to commercial customers, schools, and other anchor institutions on LCI utilizing the sub-sea fiber capacity between the islands (in conjunction with available capacity on the existing FairPoint facility between GCI and MDI).
- FairPoint would deploy and own the next-generation Remote Terminal facilities capable of delivering ADSL2+Bonded service speeds on both GCI & LCI. These two (2) new RTs would be jointly funded between the municipality and FairPoint after the parties have negotiated the funding percentages.
- FairPoint would provide CES and broadband services at rates comparable to other FairPoint service areas in Maine.
- The cost estimate for the two remote terminals is approximately $50,000 each.

Other considerations

- Pricing for broadband service under this proposed ADSL2+Bonded approach would fall in the $40-$80/month range for residential subscribers. CES would not fall in this price range based on current market rates and the cost to provide the dedicated fiber CES solution.
- Many locations – namely those closest to the RTs, would qualify for up to 25/2 Mbps speeds. Others, slightly further away, would qualify for service at speeds up to 20/1.5 Mbps. Beyond these locations, speeds would fall into one of the following (up to) tiers: 15/1 Mbps, 10/1 Mbps, 7/1 Mbps and other locations would only qualify for less, but these would be few, if any. For a fee, FairPoint would be willing to conduct a study to confirm the speeds at defined locations on the islands.
- The CES service could be used to support public Wi-Fi connections. This is not just a copper solution it is a stepping stone toward FTTP, should the Town decide to pursue this application in the future.
- More specifically, the RTs would not become stranded investments, but could be used as part of a Gigabit Passive Optical Network (GPON) FTTP solution if pursued in the future.
- The undersea cable expense if completely borne by the town thru either grant money or some other fashion, not FairPoint

FairPoint is one of the largest telecommunications and network providers in Maine, New Hampshire, and Vermont. With our extensive experience serving cities, towns, the state, schools and libraries in northern New England, we believe we are the right choice. If you have any questions, please feel free to contact your account manager. Beth McCarthy is the principal contact for all communications regarding this Request for Information and related response and can be reached at 207-924-4954 or via email at emccarthy@fairpoint.com.

Sincerely,

Karen B Romano

Northern New England Telephone Operations LLC
Enhanced Communications of Northern New England Inc.
By: Karen Romano, Vice-President, Government and Education

Confidentiality Statement:

FairPoint's response and related materials contain and embody confidential, commercial and/or financial information, trade secrets, know how, compilations, technology and other sensitive information and intellectual property of FairPoint and/or its affiliates (the "Confidential Response"), which must be kept confidential.

Except as prohibited by law, the Confidential Response and any oral disclosures, whether or not marked or disclosed as confidential and proprietary, must be treated as such. FairPoint requires that the Confidential Response and any related oral disclosures only be used by and disclosed to the Town and its employees with a need to know and only to those employees that are aware of the obligation to keep such information confidential.

The Confidential Response and any oral disclosures must be kept confidential indefinitely in the same manner that the Town keeps its own confidential and proprietary materials, but in no event less than a reasonable degree of care and that which is required by law. The Confidential Response or any oral disclosures shall not be provided to any unauthorized third party without FairPoint's consent or used for any purpose other than this Request for Information and directly related activity. FairPoint may require a separate non-disclosure agreement with any third party prior to any such disclosures.

If the Town believes that certain materials are thought to be subject to public access under a public records law and the materials are in fact subject to disclosure under the public records law, FairPoint will make every effort to specifically mark only those sections that it deems to be exempt from public access upon written request. Under such circumstances the remaining information not exempted shall be disclosed only in accordance with law to the requesting party only. If any material is marked as exempted but is thought to be subject to public access by the Town or the third party requestor, FairPoint requires adequate notice prior to disclosure in order to preserve its rights at law and equity.

In the event of a conflict or inconsistency with this language directly above and a non-disclosure agreement in place between FairPoint and the Town, that non-disclosure agreement shall control but only to the extent there is conflict or inconsistency.

This Request for Information response has been approved to be submitted on behalf of FairPoint Communications by:

Enhanced Communications of Northern New England Inc.
Jeffrey J. Heins
Vice President & Assistant General Counsel
Date: January 13, 2017

Response to Information Requested

6.1 Company Information and Experience

Please describe your company, including:

- How long the company has been in operation.

FairPoint Communications' Response: Enhanced Communications of Northern New England Inc. and Northern New England Telephone Operations LLC were formed in Delaware on 12/20/2006. FairPoint Communications, Inc., the holding company, was formed in Delaware on 6/30/1993.

- How long the company has provided internet service.

FairPoint Communications' Response: FairPoint's foundation is built upon the histories of local companies with more than 100 years of nationwide telecommunications experience. FairPoint has been providing services in northern New England since 2008 and has extensive experience supporting local businesses in the region. While FairPoint Communications has grown the breadth and depth of its network through acquisitions and self-funded capital investments to better serve its customers, it has maintained its roots and relationships in each of the local communities that allowed it to grow.

- The approximate number of internet customers you serve.

FairPoint Communications' Response: FairPoint is a leading provider of advanced communications services to business, wholesale and residential customers within our service territories. We offer our customers a suite of advanced services including Ethernet, Session Initiation Protocol (SIP) Trunking, Hosted VoIP, managed services, data center colocation services, and high capacity data transport, as well as local and long distance voice services.

Our service territory spans 17 states where we are the incumbent communications provider primarily serving rural communities and small urban markets. We own and operate an extensive fiber-based Ethernet network with more than 17,000 miles of fiber optic cable, including approximately 17,000 miles of fiber optic cable in Maine, New Hampshire and Vermont, giving us capacity to support more High Speed Data (HSD) services and extend our fiber reach into more communities across the region. As of December 31, 2015, FairPoint Communications, Inc. , by and through its operating subsidiaries, provides services to approximately 311,000 broadband subscribers and approximately 410,000 residential voice lines as well as maintaining approximately 14,500 Ethernet circuits for its customers.

- The approximate number of employees in the company.

FairPoint Communications' Response: As of December 2015, the operating companies of FairPoint Communications, Inc. have approximately 2,700 employees. There are approximately 1,000 employees in the state of Maine.

- Where the company headquarters are located.

FairPoint Communications' Response: The corporate headquarters address is: 521 East Morehead Street, Suite #500, Charlotte, NC 28202. The Town will be serviced out of our 5 Davis Farm Road, Portland, ME 04103 location.

- Where any additional field offices are located.

FairPoint Communications' Response: We have offices throughout northern New England; however, the Town will be serviced out of our 5 Davis Farm Road, Portland, ME 04103 location.

- Growth of the company over the last 3 years.

FairPoint Communications' Response: We have transformed our network to meet changing customer preferences and communications requirements. Over the past few years, we have made significant capital investments in our fiber-based Ethernet network to expand our business service offerings to meet the growing data needs of our business customers and to increase broadband speeds and capacity in our residential consumer markets. We have also focused our sales and marketing efforts on these advanced data solutions. Specifically, we built and launched high capacity Ethernet services to allow us to meet the capacity needs of our business customers as well as supply high capacity infrastructure to our wholesale customers.

Business and wholesale customers have a growing demand for bandwidth and are converting away from services such as Asynchronous Transfer Mode ("ATM") and Frame Relay and dedicated transport using T-1s to Ethernet-based products. Businesses are also looking to take advantage of the flexibility of voice services via Voice over Internet Protocol ("VoIP"). Residential customer trends have shown an increasing adoption and demand for higher speed broadband services while traditional voice services are giving way to wireless and alternative carriers. Our plan is to continue to add advanced data products and services that meet our business and wholesale customers' requirements while providing HSD options.

As demand from businesses and municipalities for high-speed broadband continues to grow, FairPoint has seen a significant increase in the number of Ethernet circuits over the past three years.

- Technical, managerial and operational experience of the team, highlighting any key members as appropriate to this project.

FairPoint Communications' Response:

FairPoint Communications will assign a Project Manager who will act as the Single Point of Contact (SPOC) to the Town for the planning and installation. Other individuals will be tasked with the

coordinating the installation of services and/or equipment, configuration, test, turn-up and acceptance testing.

The project will start by holding a project kickoff meeting with key personnel of the Town and FairPoint Communications.

- Project Kick-Off
- Introduction of key personnel
- Project Scope
- Project Planning
- Particular attention paid to identifying needs and resources
- Project plan acceptance by both parties
- Status /Informational Meetings
- Core Services Provisioning
- Implementation Management
- Order Processing
- Configuration and Addressing Needs
- Site installation scheduling
- Site test and turn up
- Development of network documentation
- Overall Project Tracking
- Escalation of any problems
- Project Completion and Follow-up

The Town's account team is as follows:

Contact	Title	Office/Cell Number	E-mail
Elizabeth McCarthy Primary role: **Overall account responsibility**	*Senior Account Manager*	207-797-1269 Office 207-924-4954 Cell	emccarthy@fairpoint.com
Darlene Sanborn Primary Role: **Initial business/gov-ed account setup, on-going support**	*Sales Support Consultant*	207-535-4211 Office	dsanborn@fairpoint.com
Steve Buza Primary Role: **Technical consultation, design solutions**	*Sales Engineer*	207-770-9251 Office	sbuza@fairpoint.com
Karen Romano Primary Role: **Overall customer satisfaction**	*Vice President, Government and Education*	207-535-4122 Office 207-205-7778 Cell	kromano@fairpoint.com

Please describe at least one past project which has provided reliable high-speed internet service to a rural area. This may include building a new network or use of an existing network. In your description of past performance, please list:

- The number of premises served.
- Description of the physical environment (e.g., density of premises, terrain).
- Description of available speeds at premises.
- Description of the technology employed.
- Timeline of deployment and date of completion.
- Project size (e.g., subscribers and cost).
- Customer (community/client) contact information (name, title, phone, email, physical address), and two references with contact information.

FairPoint Communications' Response:

Customer Name	CAF I & II in Maine
Contact	Will provide upon request
Title	Will provide upon request
Phone number	Will provide upon request
Email	Will provide upon request
Physical Address	Will provide upon request
Description of similar services including: 1) Number of premises served 2 Description of the physical environment (e.g., density of premises, terrain) 3) Description of available speeds at premises 4) Description of the technology employed 5) Timeline of deployment and date of completion 6) Project size (in subscribers and cost)	**Connect America Fund I** FairPoint Communications expanded and upgraded broadband Internet service in 44 Maine towns in unserved locations or locations with low-speed access. FairPoint leveraged $1.03 million from the Federal Communications Commission's Connect America Fund, or CAF, to accelerate broadband build-out to Mainers living in rural areas without access to robust broadband services. The FCC developed CAF as a part of its mandate to shift federal support from voice service in high cost service areas to broadband build out and operation in high cost service areas. FairPoint has invested tens-of-millions of dollars in the Company's broadband infrastructure in Maine since 2008, and under Phase I of CAF, successfully delivered upgraded broadband service to over 30 municipalities in unserved and underserved areas of Maine utilizing approximately $1 million of incremental federal support and the Company's own capital. CAF Phase II will accelerate the FCC's mandate by explicitly supporting the

	development and operation of broadband in high cost service areas. **Connect America Fund II** In August 2015, FairPoint announced it has accepted $13.3 million in annual support from the Federal Communications Commission's (FCC) Phase II of the Connect America Fund (CAF) for the state of Maine. By accepting these funds, the Company committed to construct and operate network infrastructure and offer broadband service speeds of at least 10 Mbps download and 1 Mbps upload to approximately 35,500 locations in Maine. The support program and the FairPoint commitment will run over six years starting in late 2015. CAF II requires: • broadband internet with speeds of 10/1 Mbps, • latency of less than 100 milliseconds, • data of at least 100 Gig per month, and • Pricing in CAF II areas that is reasonably comparable to pricing in urban areas. Here is a status report as of the beginning of December: • 59 projects complete (more than 8,800 effected lines) • 56 projects construction complete • 43 projects in construction • 48 projects in engineering
Two references with Contact information	Will provide upon request

6.2 Services Offered
Please describe the current services you now provide, including:

- Overall description of services.

FairPoint Communications' Response:

FairPoint provides Broadband and Business Carrier Ethernet Service in most areas throughout FairPoint's service areas in northern New England. Not all of these services and speeds are currently available on each of the Cranberry Islands.

Broadband
The ADSL2+Bonded Broadband service utilizes existing copper facilities and can provide Internet access to the homes and businesses on the islands. Most, if not all, of these homes and businesses would qualify for Internet access speeds of up to 25 Mbps down by 2 Mbps up (25/2 Mbps). It is possible that some homes or businesses furthest from the equipment could qualify for lower maximum "up to" speed options.
This technology also reduces the time to install new service as it is deployed over the existing cooper loops currently connected to homes and businesses.

At FairPoint Communications, we are here to help.

- **Flexible** – FairPoint's high-speed Internet is flexible so as you or your business grows, FairPoint can scale with you.
- **Speed** – FairPoint's range of Internet options delivers the high-performance, competitively priced connectivity you depend on.
- **Reliable** – Delivered over northern New England's largest state-of-the-art network, FairPoint's Internet offers a robust network coupled with our 24/7 technical support, critical to keep you connected. And, our network is fully owned and managed by FairPoint, which means we're accountable for it end-to-end and can provide the reliability to keep you running smoothly.

Our high speed Internet service includes the following features:

- 24/7 free technical support
- 9 email accounts
- Up to 2 GB email storage per account
- Free 3 GB of FairPoint Online Backup & Sharing per account
- PC Protection using FairPoint Internet Security Suite for up to 3 computers

- Business internet services and features.

FairPoint Communications' Response: Please see above response for the ADSL2+Bonded description or services and features. Additional below is FairPoint's description on our Carrier Ethernet Services.

Business Carrier Ethernet Services (CES)
With over 90% of our central offices are enabled for Ethernet, FairPoint can provide reliable high-speed connections to all of your business locations. We have skilled local sales and sales engineering teams ready to design a flexible solution to meet your data networking needs.

FairPoint Offers Several Ethernet Options:

- **Dedicated Internet Access over Ethernet**

FairPoint Communications' Dedicated Internet Access (DIA) over Ethernet provides true business-class Internet connectivity. This dedicated service ensures your full bandwidth allocation is always available for your business, so critical data and applications have the connectivity they require.

- **Ethernet Line**

FairPoint Communications' Ethernet Line (ELINE) offers a highly scalable, reliable and dedicated connections to our fiber network that are secure and resilient. We offer two E-LINE solutions to keep your data and application performing:

- Ethernet Private Line (EPL) – Point-to-point connectivity
- Ethernet Virtual Private Line (EVPL) – Point-to-multipoint connectivity

- **Ethernet Local Area Network**

FairPoint Communications' Ethernet Local Area Network provides any-to-any connectivity that's easy to manage, scalable and cost effective. E-LAN extends your native Ethernet environment to connect multiple locations within a metropolitan area, available in two versions:

- EPLAN – Provides all your locations with true any-to-any connectivity
- EVPLAN – Connects all points on a common network

- Geographic areas where services are provided.

FairPoint Communications' Response: Fairpoint Communications, Inc.'s operating subsidiaries provide services in 17 states leveraging a private, fiber-based Ethernet network – with more than 21,000 route miles of fiber, including approximately 17,000 route miles of fiber in northern New England. We have 32 local exchange companies in operation and approximately 1.2 million access line equivalents. Additional information is provided in Section 2.1, Corporate Overview.

To the Cranberry Islands, FairPoint currently provides CES to GCI as well as a legacy broadband service with speeds up to a maximum of 3 Mbps. Through a recent upgrade to the Northwest Harbor central office in Mount Desert, broadband is now available to most locations on Sutton Island with speeds of 10 Mbps / 1 Mbps for some of those locations. Broadband service is not currently available to LCI and CES is not currently available on either LCI or Sutton Island.

- Speed tiers offered.

FairPoint Communications' Response:

Broadband Service
The ADSL2+Bonded Broadband service utilizes existing copper facilities and can provide Internet access to the homes and businesses in the target neighborhood area. Most, if not all, of these homes and businesses along highlighted portions of streets in the target neighborhood area would qualify for Internet access speeds of up to 25 Mbps down by 2 Mbps up (25/2 Mbps). It is possible that some homes or businesses furthest from the equipment as well as additional homes beyond the highlighted target area could qualify for a lower maximum "up to" speed tier. Speed tiers include 25/2 Mbps, 20/1.5 Mbps, 15/1 Mbps, 10/1 Mbps, 7/1 Mbps, and 3/1.5 Mbps

- Take rates for your services broken out by speed tiers.

FairPoint Communications' Response: This is considered Confidential Information.

- Pricing, packaging and bundling of services.

FairPoint Communications' Response: FairPoint will offer standard residential and business pricing.

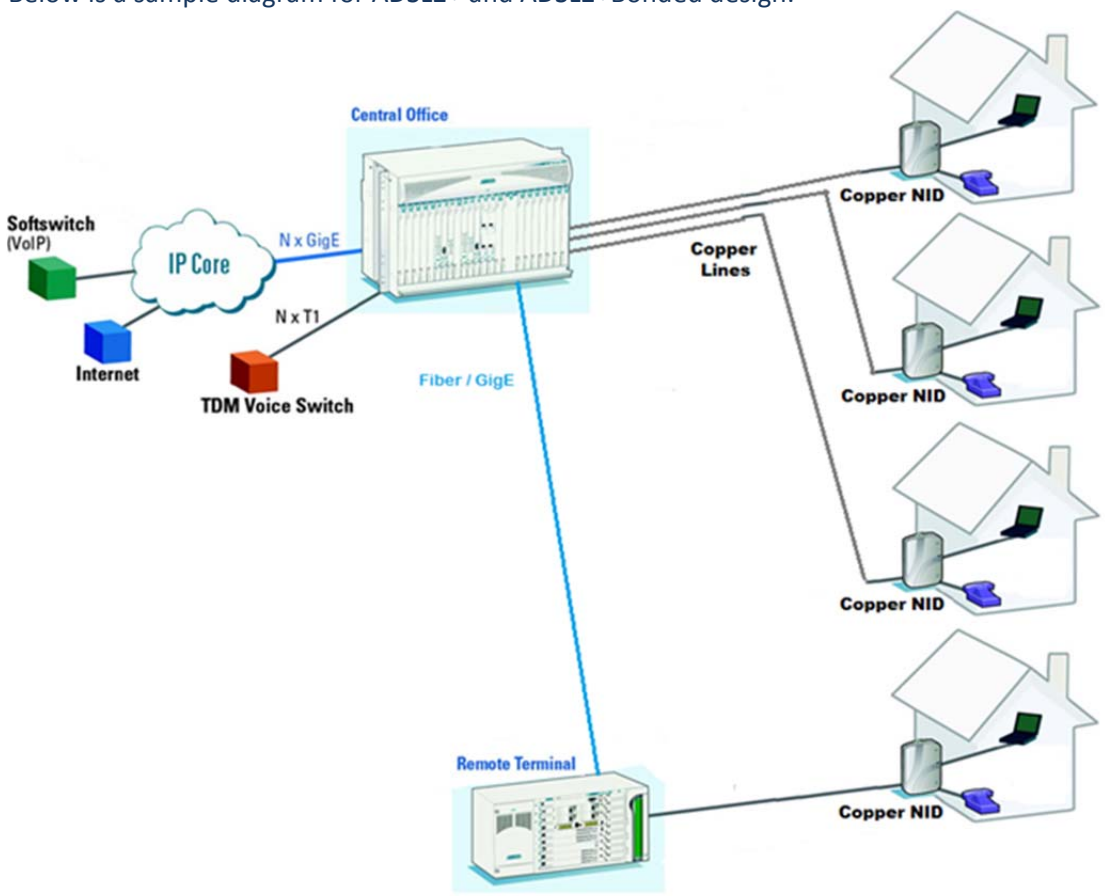
- Technologies and equipment employed.

FairPoint Communications' Response: FairPoint offers numerous options for the Town including:

Broadband Service

The ADSL2+Bonded Broadband service utilizes a next-generation ADSL2+Bonded capable switch along with existing copper facilities and can provide Internet access to the homes and businesses in the target neighborhood area. Most, if not all, of these homes and businesses along highlighted portions of streets in the target neighborhood area would qualify for the Internet access speeds mentioned above.

Below is a sample diagram for ADSL2+ and ADSL2+Bonded design:



6.3 Customer Installations.

Describe how you typically build, manage and maintain customer drops. For example, do you outsource this or manage it in-house?

FairPoint Communications' Response: FairPoint builds, manages, and maintains its subscriber drops. If the customer is served by underground service from a pole/pedestal, a third party can place a conduit from the pole/pedestal to the customer's house. The drop will be run by a FairPoint technician from the pole/pedestal to the house. Additional costs may apply.

6.4 Customer Service and Marketing

Please describe how you currently provide customer service and market to your subscribers:

- How customer service is handled for business and non-business accounts.

FairPoint Communications' Response: FairPoint has detailed management processes in place and has excellent installation and cutover experience. Skilled local engineers and technicians will be tasked with coordinating the installation of services and/or equipment, configuration, test, turn-up and acceptance testing.

Your local dedicated account team consists of an Account Manager, Sales Engineer, and Sales Support Consultant. This account team is very seasoned, with an average of over 20 years of telecommunications experience. Beth has over 25 years of experience in telecommunications. In addition, FairPoint has assigned a Sales Engineer to the Town, Steve Buza.

Residential Maintenance and Support: FairPoint's Internet Technical Support is available 24/7/365 at 800-240-5019, or participate by chat by visiting www.fairpoint.com. Our telephone repair center can be reached 24/7/365 days a year by calling 866-984-1611 or by visiting www.fairpoint.com.

Business, Government and Education Maintenance and Support: FairPoint Communications has a FairPoint High Speed Internet (HSI) Help Desk located in Austin, TX for trouble reporting. The FairPoint HSI Help Desk is staffed with highly-trained help desk operator, and on-site managers. It is staffed 24/7/365 and is responsible to take all trouble calls, test, triage, repair, or dispatch to the appropriate department for resolution as appropriate.

FairPoint shall have on-call telephone assistance with issue status available to the Town twenty-four (24) hours per day and seven (7) days a week. FairPoint will provide maintenance services which shall include the following:

- Repair of any portion of the FairPoint core network that is defective
- FairPoint shall have "immediate response" by staffing FairPoint HSI Help Desk and having issue status available to the Town twenty-four (24) hours per day and seven (7) days a week.
- Repeat/chronic troubles will be escalated as such upon receipt. Upon trouble resolution FairPoint will report back to the end user the cause of the problem and its resolution, if requested.

- Whether these services are in-house or out-sourced.

FairPoint Communications' Response: All of the listed services will be provided in-house. No subcontractors will be used at this time.

- What approaches and systems are used to trouble-shoot and resolve customer issues.

FairPoint Communications' Response: Your first point of contact for trouble reporting will be to the FairPoint Communications Customer Service Maintenance Center (CSMC) located in Manchester, NH. All unavailability reporting would be reported by the Town. FairPoint has on-site repair options on the two islands.

FairPoint operates and maintains a Network Operations Center ("NOC") staffed twenty-four (24) hours a day, seven (7) days a week by trained and qualified FairPoint employed personnel. The CSMC is staffed with highly-trained Central Office Technicians, and on-site managers. The CSMC is staffed 24/7/365 and is responsible to take all trouble calls, test, triage, repair, or dispatch to the appropriate department for resolution as appropriate. There is also an associated Network Operations Center (NOC) staffed 24/7/365 with Central Office Technicians and Managers. The NOC is responsible for monitoring and maintaining both switch and transport services throughout Maine, New Hampshire, and Vermont.

- Your billing and collections system, including payment options available to subscribers.

FairPoint Communications' Response: FairPoint's payment terms are Net 30 days from the date on the invoice.

Paper and electronics (pdf) copies will be provided to the customer. FairPoint currently provides an E-Customer application to customers allowing them to view and print online bills by site or by overall account. Customers can also retrieve account history up to 13 months on the portal.

- How you market to and recruit new business and non-business subscribers.

FairPoint Communications' Response: We are actively addressing our competitive environment with a multi-faceted approach to increase our market share. This approach is comprised of acquisition programs and new product introductions, retention programs, win-back and upsell initiatives. In order to better address the needs of our customers and prospects, we segment them across specific channels. Our focus for residential customers is to drive increasing penetration of high speed data customers. We are upgrading our access infrastructure to provide higher speed internet access services via high capacity copper and fiber facilities to more customers and communities each year. We are focusing on promotional programs that allow us to differentiate from cable operators, including price lock and multi-year discount programs. We believe bundled services continue to provide value to customers and, as such, we package our services in a range of price points.

In the business and government segments, our fiber-based network with approximately 17,000 miles of fiber across Northern New England, allows us to deliver Ethernet and fiber based data services typically ranging from 1 megabit per second to 1 gigabit per second. Along with our high capacity data services, we offer competitively priced voice services through VoIP or time division multiplexing (TDM). Our three contiguous state footprint in northern New England allows businesses with multi-state locations to work with one local vendor.

- Your retention rates for business and non-business subscribers.

FairPoint Communications' Response: We have a multi-channel retention team, responsible for developing and executing customer retention programs across all areas of FairPoint. Our save desk team has been enhanced to retain disconnecting customers. In addition, we have initiated proactive programs to address customers coming off of promotions and term contracts. Through early intervention, we expect to reduce churn and retain customers longer. FairPoint has a retention team dedicated to ensuring customer retention; however, specific retention rates are confidential.

6.5 Responses to Broadband Objective

Respondents are invited to provide information on how to meet the objective described in Section 3 above. In the response, please also demonstrate understanding of the community goals and background.

Respondents are invited to propose service levels that they deem technologically and economically achievable; however, respondents should propose solutions that provide the minimum speeds and other requirements for meeting the objective described in Section 3. The Town welcomes use of technologies including, but not limited to, vector DSL, DOCSIS 3.0, LTE, fixed wireless, and fiber to the premise offerings.

Please comment on providing network reliability, network operator service, and responsiveness. Respondents should propose mechanisms to ensure that service providers live up to a reasonable service life agreement. Please demonstrate understanding of the longevity requirement described in Section 3.

The respondent should prepare a detailed technical approach for meeting the objective. This should include, but is not limited to, the following components:

- Necessary hardware.
- High-level geographical and topological network schematics.
- Options for backhaul.
- Quality assurance plan.
- Implementation plan.
- Possible migration paths for future service improvement.

FairPoint Communications is proposing an ADSL2+Bonded Broadband service utilizing existing copper facilities and can provide Internet access to the homes and businesses in the target neighborhood area. Most, if not all, of these homes and businesses along highlighted portions of streets in the target neighborhood area would qualify for Internet access speeds of up to 25 Mbps down by 2 Mbps up (25/2 Mbps). It is possible that some homes or businesses furthest from the equipment as well as additional homes beyond the highlighted target area could qualify for a lower maximum "up to" speed option.

Quality assurance plan – FairPoint Communications shall prepare and perform functionality and performance testing procedures for any commissioned services. The FairPoint HSI Help Desk will maintain, support, and provision the Core Network that delivers FairPoint Communications' data infrastructure.

Project Implementation Plan – FairPoint Communications will assign a Project Manager who will act as the Single Point of Contact (SPOC) to the Town for the planning and installation. Other individuals will be tasked with the coordinating the installation of services and/or equipment, configuration, test, turn-up and acceptance testing. Please see below for a sample implementation plan.

Future Growth - With the extension of fiber optic cable to LCI, business and residential customers alike will be prepared for the future. The Broadband product suite will provide for most typical bandwidth requirements. For those businesses or homes requiring even higher throughputs or specialized Wide Area Network (WAN) products, the FairPoint Next Generation Ethernet Network is there to meet the need.

In addition to the current product offerings FairPoint is actively evaluating new wireless technologies. For example a wireless indoor/outdoor network could potentially be used to enhance coverage in the more densely populated districts of the island in the future. This will provide a seamless transition from office building or hotel room to the streets and sidewalks of the Town. Many exciting possibilities exist and more are developing every day. FairPoint is deeply committed to this continued effort and investment in emerging technologies.

Please identify any infrastructure assets or requirements for taking this technical approach:

- Do you have fiber or other assets in the area that could be leveraged?
- What would be feasible Points of Interconnection with your network and the existing networks in the area?
- What options are available to meet the requirements you've identified for taking this technical approach?
- What other key technical considerations do you wish to highlight for the Town that could improve outcomes under your participation?

FairPoint Communications' Response: Under this proposal, FairPoint would build a sub-sea cable facility for the town between GCI and LCI. Cable demark facilities would be required at each end-point.

And these facilities would be owned by the municipality but operated by FairPoint per the agreed-upon period and terms.

To provide broadband service, FairPoint would utilize capacity from this subsea cable and some new fiber to connect to the new RT equipment on LCI. On GCI, FairPoint would place add new equipment at the existing RT location. With the undersea cable in place and connectivity between the cable and FairPoint's existing facilities, FairPoint could extend the availability of CES service to businesses and anchor institutions on LCI. Delivering CES to customers would be part of a customer arrangement and is not part of this proposal. By utilizing existing fiber between GCI and MDI, as well as existing copper facilities to the homes and businesses on the islands, FairPoint would provide the broadband service and extend the CES offering to the islands.

Please provide an estimated timeline for meeting the objective, including a proposed start date in response to Section 3 above, and include major project milestones and key achievement dates. Please provide an estimated date for when internet service will be available to premises on Islesford and/or an estimated date for when broadband services will be available to the Islands, whether on an incremental or universal basis.

FairPoint Communications' Response:

A complete and detailed design would have to be created before a reliable project plan could be established. FairPoint and the Town will agree to a project plan post contract execution and funding availability. A sample project plan is provided below:

High-Level Milestones	**Estimated Duration (calendar days)**	***4/1/2015***	**Notes**
Planning / On-site Surveys:	45	5/16/2015	
OSP Detail Engineering:	45	6/30/2015	
Material Procurement	60	8/29/2015	
Construction	180	2/25/2016	Construction and Testing will be where range comes into play - best case scenario presented
Testing	30	3/26/2016	
Systems Update and Release for Sales	30	**4/25/2016**	Projected Completion
Engineering / Permitting for Submarine cable to LCI	180	10/22/2016	Concurrent timeline
Optional: Central Office Equipment Design	30	11/21/2016	Concurrent to OSP Detail Design - CO not critical path
Optional: Material Procurement	90	2/19/2017	
Optional: CO Equipment Installation	45	4/5/2017	
Optional: CO Test and Turn-Up	30	5/5/2017	

6.6 Response to Business Model

Please comment on the proposed business model in Section 5 above. If there are any variations or exceptions that you would require, please identify and explain them. Please provide an estimated cost for meeting the objective in Section 3 above, and indicate the portion of the cost that you would be willing to provide. Please indicate the percentage of the cost that the Town will need to provide. Respondents are invited to state high-level terms for this business model. Please provide any knowledge or experience of operating this business model under grant funding sources.

FairPoint Communications' Response:

Under the mutually-dependent two-part solution:

FairPoint would require the municipality to fully-fund the aforementioned Part I of the solution – the undersea fiber cable between the two islands (GCI & LCI). FairPoint is willing to contract with the town to build the facility according to FairPoint specifications, operate the open-access facility, and provide billing-and collections on behalf of the town in exchange for capacity on the subsea cable and an exclusive right to purchase the facility. This would also be contingent on Part II.

The second part of the solution would utilize capacity in the new subsea fiber cable system to provide CES and ADSL2+Bonded Broadband service to LCI. Additionally, FairPoint would upgrade the Broadband facilities on GCI to support ADSL2+Bonded speeds. This is contingent on Part I and FairPoint would fund this second part of the solution if take Broadband rate-terms and terms for Part I can be agreed on with the municipality.

Section 2: About FairPoint

2.1 Corporate Overview

About Us
FairPoint Communications, Inc. (NASDAQ: FRP) provides advanced data, voice and video technologies to single and multi-site businesses, public and private institutions, consumers, wireless companies and wholesale resellers in 17 states. Leveraging a private, fiber-based Ethernet network – with more than 17,000 route miles of fiber, including approximately 17,000 route miles of fiber in northern New England – FairPoint has the network coverage, scalable bandwidth and transport capacity to support enhanced applications, including the next generation of mobile and cloud-based communications, data center colocation services, and managed services.

Since 2014, FairPoint has operated two retail data centers in northern New England. We offer data center colocation services that help organizations reduce capital expenditure (CapEx), address physical security and disaster recovery, and improve services to business.

History
Our foundation is built upon the histories of local companies; we have more than 100 years of combined nationwide communications experience. While growing our network – through acquisitions and capital investments – to better serve our customers, we have maintained strong connections to local communities.

Operations and Financial Standing
Today, our business generates $860 million in annual revenue, operates in 17 states and has approximately 2,700 employees. We have 32 local exchange companies in operation and approximately 1.2 million access line equivalents. Our companies operate as the incumbent local exchange carrier (ILEC) in each of their respective markets, with a rich history of service quality and infrastructure development.

Why FairPoint?

Superior Network
FairPoint has the largest network in northern New England, with more than 21,000 fiber route miles and 90% of central offices enabled for Carrier Ethernet Services in Maine, New Hampshire and Vermont.

Local Support
We maintain teams of local sales support staff and experienced sales engineers in who can design the right solution for your organization. We also provide enhanced technical support with our dedicated Network Operations Centers.

Portfolio of Services
Our broad portfolio of services enables you to enhance functionality while improving efficiency. With FairPoint, you have scalability no matter how your needs change.

Expertise
100+ years of combined telecommunications service, with more than 20 years of experience in NNE

Competitive pricing
We deliver high-value, reliable services and support at a price that reflects your fiscal responsibility.

2.2 Network Advantage

FairPoint Communications, the sixth largest telecommunications company in the country, has invested more than $900 million in communications infrastructure and technology to expand broadband across northern New England. We have committed tens-of-millions of dollars in FairPoint capital plus $37.4 million in support from the FCC's Connect America Fund to build and upgrade broadband infrastructure to unserved or underserved areas. Our aggressive and unprecedented push for high-speed Internet was helped expand broadband availability to more than 95 percent of all businesses in the region.

We have a 17,000 route-mile fiber network – the largest in northern New England. With a highly scalable core MPLS network comprising multiple 10 Gigabits per second (Gbps) rings, we can accommodate new service deployments, while delivering resiliency and 99.999% core network availability. We've developed standard processes to make interconnecting with our network.

Our network is fully owned and managed – we are completely accountable for it end-to-end. We staff 26 in-market field service centers with highly experienced technicians to quickly and efficiently respond to any network incidents. We work around the clock to proactively monitor and manage the network to make sure it's always running.

There's Strength In Our Numbers in Northern New England

20+ years of experience supporting schools and libraries in northern New England

26 in-market field service centers

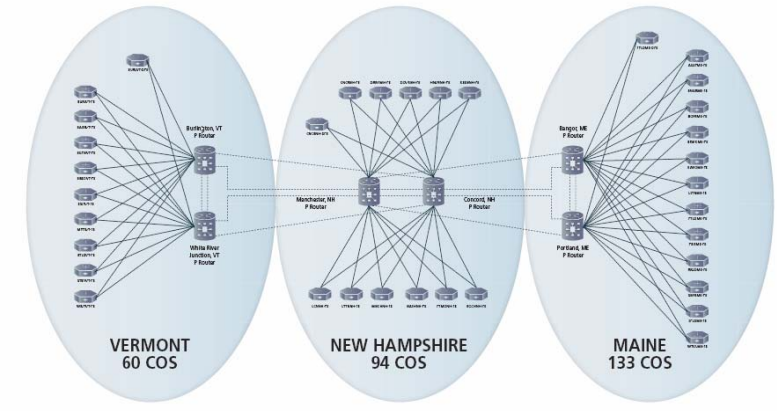
500+ central offices

1,000+ engineers and skilled technicians

17,000+ fiber route miles

99.999% core network availability

FairPoint Communications IP/MPLS Core Network



2.3 Customer Service

The Government and Education Account Team understands what drives your organization and offers 360-degree support with dedicated sales, engineering, support, analyst and billing experts. Together with our dedicated business call center and 24/7 technical support, you have the service model you need to keep your schools running.

2.4 Community and Economic Development

At FairPoint Communications, we are passionate about improving the quality of life where we live and work. We support our communities by fostering economic development; expanding technology initiatives; supporting health and wellness programs; and investing in youth education initiatives. We are pleased to partner with our communities, customers and employees in strengthening the bonds that build our neighborhoods and enrich our lives.

Our employees have a long tradition of partnering and volunteering in communities where they live. We contribute $1 million annually to civic and community organizations while our employees devote hundreds of volunteer hours.

We also work to strengthen local economies by using technology to bring new ways for people to communicate. Since April 2008, we have invested more than $900 million in the communications infrastructure and technology to expand broadband across northern New England. Our aggressive and unprecedented push for high-speed Internet has helped expand broadband availability to more than 95 percent of all businesses in the region.

Local Investments

Civic Contributions
- $1 million overall in 2015

Organizations Supported
350+ community donations and sponsorships

We are part of your community, with more local teams and resources than any other provider.