

## New Hampshire Public Utilities Commission Staff Advocates

Docket No. 10-025

**Respondent:** John Lisciandro  
Director,  
Deloitte FAS

**Request:** One Communications Corp.  
CRC Communications of Maine, Inc.  
Bayring Communications

**Dated:** March 31, 2010

**Item: One: Staff ADV-10** Please refer to the Lisciandro Testimony at page 18, line 12: Please elaborate on your statement that FairPoint's revenue projections "may be somewhat optimistic." Please identify any specific known and/or anticipated events (e.g., regulatory changes, industry changes, financial changes) which could impact FairPoint's ability to meet its projections. Please describe each such event and its likely impact on FairPoint's projections.

**Reply:** Industry revenue projections, including projections made by companies comparable to FairPoint, show a median of near zero to negative growth at the overall revenue line over the coming years. FairPoint's projections exceed industry and peer group median growth rate projections and fall at the high end of the range of peer group forecasts.

There are countless events that could impact FairPoint's ability to achieve their revenue projections. Some examples could include continued competitive threats from wireless, cable television providers and satellite providers within markets served by FairPoint, as well as regulatory threats such as intercarrier compensation challenges and the FCC's current review and inquiry on special access and whether rates should be regulated. It is not possible to identify and describe each known and/or anticipated event that could impact the ability of FairPoint to meet revenue projections.