

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-2 Please refer to the Lisciandro Testimony at page 9, lines 8-10: In your opinion, how "difficult" will it be for FairPoint to meet its projections?

- (a) Please indicate the likelihood that those projections will be met (100%? 50%?).
- (b) Are there 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? If so, please identify and describe each such event and its likely impact on FairPoint's projections.

Reply:

- (a) The comment on page 9, lines 8-10, is specific to revenue projections. Industry revenue projections, including projections made by companies comparable to FairPoint, call for a median of near zero to negative growth at the 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.
- (b) 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 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.