

**FairPoint Communications, Inc.**  
**State of New Hampshire**  
**Docket No. DT 07-011**

**Respondent:** Michael L. Harrington  
**Title:** Vice President, Network  
Engineering Services

**REQUEST:** Office of Consumer Advocate  
Group II

**DATED:** April 13, 2007

**ITEM:** OCA 2-68 Re page 11, lines 12-13.

- a. Describe fully the factors affecting "the economics".
- b. What cost of money does FairPoint use in determining whether to undertake capital expenditures?
- c. Over what period of time does FairPoint analyze costs and revenues in determining whether to undertake capital expenditures?

**REPLY:**

- a. FTTH deployment models remain burdened with relatively high costs, and low density customer areas render economic justification even more difficult to achieve. Low density areas are far more difficult to engineer in accordance with standard splitter algorithms, and far more fiber footage is required to string or bury along a road than is the case for new, concentrated, "greenfield" housing developments. Further, rural, less dense customer areas are typically fed with pre-existing copper that renders full fiber over-builds extremely costly in comparison to utilizing copper based technology solutions over pre-existing copper facilities.
- b. Please see response to OCA 2-65(c).
- c. Please see response to OCA 2-65(d).