

# LATHAM & WATKINS<sup>LLP</sup>

October 29, 2007

## **BY ELECTRONIC FILING**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 Twelfth Street, SW  
Washington, DC 20554

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Re: Applications for the Transfer of Certain Spectrum Licenses and Section 214 Authorizations in the States of Maine, New Hampshire, and Vermont from Verizon Communications Inc. and Its Subsidiaries to FairPoint Communications, Inc., WC Docket No. 07-22, DA 07-1314; File Nos. ITC-214-20020705-00324, ITC-214-22200402-00167, ITC-214-20020213-00084, ITC-214-20020705-00325, ITC-214-20020402-00169, ITC-214-20020213-00083, ITC-214-20020213-00082, ITC-214-20020402-00170, ITC-214-20020705-00327, ITC-214-20020705-00326, ITC-214-20020402-00168, ITC-214-20020213-00081, ITC-20020516-00243, 0002921065, 0002921107, and 50005CFTC07; Notice of *Ex Parte* Presentation

Dear Ms. Dortch:

On Friday, October 26, 2007, Leslie Owsley, Dee May, and Joseph Jackson of Verizon, and Brian Murray of Latham & Watkins LLP and I, representing FairPoint Communications, Inc. ("FairPoint"), spoke by telephone with Nick Alexander and Dennis Johnson of the Wireline Competition Bureau. At this meeting, FairPoint and Verizon responded to several questions posed by the Staff regarding the above-referenced transaction.<sup>1</sup>

First, FairPoint provided more specific figures describing its planned expenditures for broadband deployment, updating the information contained in its *ex parte* letter dated October 12, 2007. Specifically, FairPoint stated that it plans to spend approximately \$52,550,000 on broadband expansion in the region, consisting of \$18,550,000 in Vermont, \$16,450,000 in New Hampshire, and \$17,550,000 in Maine.

In addition, FairPoint and Verizon described their plans with respect to the handling of current contracts or tariffs that include volume pricing provisions following the

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<sup>1</sup> Other questions posed by the Staff will be addressed in a separate *ex parte* letter to be filed on behalf of Verizon.

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transaction, consistent with their merger agreement. FairPoint stated that it will reduce pro rata the volume commitments provided for in agreements to be assigned to or entered into by FairPoint or tariffs to be concurred in and then adopted by FairPoint, without any change in rates and charges or other terms and conditions, so that such volume pricing terms will in effect exclude volume requirements from states outside of the three-state region of Maine, New Hampshire, and Vermont following the closing. Verizon stated that it will do the same with respect to service it will continue providing outside this three-state region. Both parties will amend their agreements and tariffs as necessary to restate the applicable volume commitments. In this way, wholesale customers that maintain the volumes they currently purchase in the three states and in Verizon's other states, respectively, will continue to qualify for the same volume discounts in the respective areas.

As a result, wholesale customers will receive the same benefits in the aggregate following the transaction as those provided pursuant to the existing Verizon volume discount arrangement. The concerns expressed by One Communications Corp. that wholesale customers will no longer qualify for the same volume discounts, or that FairPoint or Verizon will otherwise seek to change the rates, terms, or conditions of existing volume discount arrangements, therefore, are without merit. *See* One Communications Corp., Petition to Deny, WC Docket No. 07-22, at 3, 30-31 (filed Apr. 27, 2007).

Please direct any questions concerning this matter to me.

Very truly yours,

/s/ Karen Brinkmann

Karen Brinkmann  
*Counsel to FairPoint Communications, Inc.*

cc: Nick Alexander  
Dennis Johnson  
Christi Shewman