Executive Summary

a. Opportunity Maine's central challenge for universal broadband connectivity is that it is a vast rural state. High speed broadband is concentrated in urban areas; rural regions have low concentrations of broadband access, which puts these communities at a distinct disadvantage in the digital age. This proposal from FairPoint presents NTIA with an unprecedented opportunity to connect Comprehensive Community Infrastructure (CCI) throughout the state of Maine with high speed 100 mb broadband that is scalable, up to 1Gb, to meet current and future bandwidth needs. This will transform Maine's ability to participate in telemedicine, e-government, distance learning, e-commerce, and business development that will support sustained economic recovery and economic growth. FairPoint is also proposing extending broadband last mile services deeper into Washington and Hancock counties. This proposal builds on FairPoint's existing VantagePoint network, in which FairPoint has invested over $100 million in Maine, New Hampshire and Vermont since April 2008. This core network is already in place in all three states. In place as well are all of FairPoint's sales, engineering, management, and technical personnel needed to implement the project so new CCI and broadband VantagePoint customers will be able to receive service rapidly. By leveraging the existing FairPoint VantagePoint network, project costs are much lower as there is no backhaul network component. Both projects only require connections to the local FairPoint Serving Wire Center.

b. General Description The proposed funded service area includes the entire state of Maine (middle mile to CCIs) and 15 contiguous census tracts in Washington and Hancock Counties (last mile). This area is one of the most rural, underdeveloped, and financially stressed areas of the state. In this rural area all cities, towns or incorporated areas have a population less than 20,000. All towns in the proposed service area have populations under 5,000, the largest is Calais with a population of 3,447. The population of the proposed service area is 41,750. They are 'underserved' as the rate of broadband subscribership is less than 40%.

c. Number of Households & Businesses Passed As a result of the last mile broadband component an additional 12,396 Households and 1,797 businesses will be passed in Washington and Hancock Counties.

d. Number of anchor institutions, public safety entities, and CCIs, etc. CCIs= 626 # Schools (K-12)= 131 # Libraries= 7 Medical and Healthcare Providers = 226 Other Institutions of Higher Education =9 Other Community Support Organization =40 Other Government Facilities= 88 Community Colleges= 13 Public Safety CCI locations= 112

e. Proposed Services & Applications In this application FairPoint proposes to 1) extend enhanced broadband services deeper into Washington and Hancock counties, and 2) provide very high speed access to select CCI locations across Maine. The services are: 1. The high speed broadband Internet access (ADSL2+) for residential and small business customers at speed up to 1 Mb Up / 15 Mb Down. 2. High speed direct fiber (100 mg capability) to CCI locations. Broadband users will include individuals and
families, businesses, nonprofit organizations, and government agencies. We will use a combination of approaches to attract end users, including direct marketing through print, radio and television. CCI users include Healthcare, Community Colleges, K-12, Public Safety Agencies, and State Government. Sales to end users will be a combination of direct sales, responding to competitive bids, and via our wholesale organization.

f. Non-Discrimination & Interconnection FairPoint will adhere to the guidelines set forth by Congress and the FCC to promote openness and interconnection of the public Internet, encourage broadband deployment, and provide consumers with access to the lawful Internet content of their choice without unfair or discriminatory bandwidth restrictions. FairPoint will also provide access to competitive local exchange carriers to the facilities constructed with any or BTOP awards in compliance with the interconnection, collocation, and unbundled network element obligations cited in the NOFA. See Description of Network Openness for more detail.

g. Type of Broadband System FairPoint is proposing 2 components; direct fiber optic access to CCI locations, and extension of broadband Internet deeper into Washington and Hancock counties in eastern Maine. Both applications extend from FairPoint's VantagePoint network. Both components will provide direct services to customers. The larger middle mile component will build optical fiber connections to 626 Comprehensive Community Infrastructure (CCI) locations across Maine. This project will provide a minimum of 12 direct fibers from the Serving Wire Centers to the CCI location. A portion of these fibers will be lit and will provide very high speed Ethernet access (100 Mb, scalable to 1 Gb plus) to the FairPoint VantagePoint network. FairPoint will make fiber available to competitors via its wholesale operations. The BTOP grant will support very high bandwidth at attractive market prices. A smaller last mile component will extend broadband services into rural Washington & Hancock Counties. FairPoint is proposing to add 63 new Remote Terminals equipped with next generation Digital Subscriber Line (ADSL2+) broadband access equipment. The Remote Terminals serve to provide access gateways closer to the end user and ADSL2+ exploits existing local loop technology. FairPoint will deliver speeds up to 1Mb Up / 15Mb Down speeds across the local loop to qualified residential or business customers.

h. Qualifications of the Applicant that demonstrate the ability to implement and operate a broadband infrastructure, and/or be a sustainable broadband service provider. FairPoint operates 32 local exchange companies in 18 states and is the 7th largest telecommunications company in the USA. This proposal builds on FairPoint's existing VantagePoint network, a layered fiber optic, Dense Wave Division, Multiplexing Ethernet and IP/MPLS based system conforming to Metro Ethernet Forum specifications. It is arguably the most advanced regional network in the U.S, and it is in place now throughout Maine as well as in NH and VT. FairPoint is partnering with Skills Inc. and Information Technology Exchange, two nonprofits that serve people with disabilities and other vulnerable populations. We also have letters of support from NetworkMaine (provides networking to Maine Schools and Libraries); the New England Telehealth Consortium (representing 500 healthcare locations in the Northeast, primary healthcare providers); the Maine Community College System; the Aroostook Partnership for Progress (a regional public-private partnership formed to market northern Maine nationally and internationally); the Maine State Police; and the Maine Office of Information Technology (Responsible for the State of Maine's information technology and telecommunications).

i. Overall infrastructure cost of the broadband system; Total project costs are $31,685,331. The middle mile $26,511,100 and the last mile is $5,174,23. FairPoint is providing a 35% match to the project. j. Overall expected subscriber projections for the project; and Last Mile Broadband Component '2123 Households, 317 Businesses and 817 wholesale customers Middle
Mile CCI Project - 472 Middle Mile CCI’s k. Number of jobs estimated to be created or saved as a result of this project. Job years were calculated using the Council of Economic Advisers' guidelines published in ARRA. Total Job years: 344 Total Direct: 156 Indirect: 64 Induced: 124