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News Release

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FAIRPOINT COMMUNICATIONS APPLIES FOR FEDERAL BROADBAND EXPANSION GRANTS

Grant proposal would allow some northern New Englanders to get broadband access for the first time

CHARLOTTE, N.C. (August 20, 2009) -- The ability to get online for the first time may be getting closer for some northern New England residents today as the region's leading telecommunications provider submitted applications for \$37.8 million under round one of three rounds of the \$7.4 billion Broadband Initiatives Program (BIP) and Broadband Technology Opportunity Program (BTOP). If the funds are awarded, it means more broadband for more people, in more communities. If awarded, FairPoint Communications would use the federal grants to build its network to reach more unserved and underserved regions in Maine, New Hampshire and Vermont which it otherwise would have been unable to serve within an identifiable timeframe.

"The citizens and businesses throughout northern New England have been waiting a long time for an affordable broadband Internet connection. These grants would enable the building of the next generation network to more rural and less populated areas where construction and deployment costs are very high – areas we are eager to serve," says Peter Nixon, president of FairPoint.

FairPoint submitted five applications for grants in northern New England.

In **Maine**, the first submission would provide broadband access to more than 10,000 households and businesses in Aroostook County. The \$9.8 million application would principally benefit the towns of Grand Isle, New Sweden, Mapleton, Caribou, Limestone, Danforth and Houlton.

The second Maine submission would provide broadband access to more than 9,300 households and businesses in Washington County. The \$5.9 million application would provide broadband expansion primarily to Columbia, Eastport, Milbridge and Winter Harbor.

In **New Hampshire**, the first submission would provide broadband access to more than 6,200 new households and businesses in Coos County. The application was in the amount of \$9.4 million. The principal towns this project would serve are Berlin, Colebrook, Columbia, Errol, Gorham, Milan, Northumberland, Stark, Stewartstown and North Stratford.

The second New Hampshire submission would provide broadband access to more than 2,400 new households and businesses in Grafton County. The application was in the amount of \$1.4 million. The principal towns this project would serve are Bath, Benton, Bethlehem, Easton, Franconia, Haverhill, Landaff, Lisbon, Lyman and Sugar Hill.

In **Vermont**, the company's application would provide broadband access to more than 2,900 new households and businesses in Essex and Caledonia counties. The application was in the amount of \$7.3 million. The principal towns this project would serve are St. Johnsbury, Lyndonville, Barnet, Danville, Sheffield, Guildhall, West Burke and Canaan.

FairPoint Communications is also applying for grants to expand broadband into unserved and underserved communities in north Florida and Missouri.

Following a rigorous review and a highly competitive process, the grant awards are scheduled to be announced during the fourth quarter of 2009. Broadband delivery to rural America has been a core business strategy for FairPoint Communications for more than 15 years.

About FairPoint

FairPoint Communications, Inc. is an industry leading provider of communications services to communities across the country. Today, FairPoint owns and operates local exchange companies in 18 states offering advanced communications with a personal touch, including local and long distance voice, data, Internet, television and broadband services. FairPoint is traded on the New York Stock Exchange under the symbols FRP and FRP.BC. Learn more at www.fairpoint.com.

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