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News Release

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**FAIRPOINT COMMUNICATIONS CEO DAVID HAUSER'S
REMARKS TO NEW HAMPSHIRE, MAINE AND
VERMONT JOINT MEETING**

DERRY, N.H. (September 9, 2009) – FairPoint Communications CEO David Hauser today delivered the following remarks to a joint meeting of New Hampshire, Maine, and Vermont utility regulators in Derry, New Hampshire.

“Good afternoon. I’m David Hauser, CEO of FairPoint Communications. Today I’m marking a little more than two months on the job and it’s been a very interesting two months indeed. During this time I’ve talked to employees, customers, reporters, elected officials, and regulators. I’ve been listening, learning, and acting on the things that need to happen in order to make this a more vibrant company providing the needed services for the communities in northern New England.

I believe I was brought to FairPoint, not for my technical expertise, but rather to provide leadership. As CEO of FairPoint, it is my responsibility to set the strategy, organize for success and to demonstrate through my actions a company culture of high integrity, customer service, and community involvement.

My leadership team and I have taken a number of steps to improve our operations, improve our financial situation and begin to steer this ship in the right direction. I

believe I have the right people in place for success and they are clear on their scope, and for what they are held accountable.

Jeff Allen is executive vice president for northern New England operations. His scope includes operations, engineering, customer care, operations support, sales, IT, and billing. His fundamental job is to make sure we provide excellent customer service. Vicky Weatherwax is vice president, internal business solutions. Her scope includes the project management office and just what her title implies, internal business solutions. That means she looks east to west as well as north to south, to find the best solutions for system fixes and optimization. I'm holding her accountable for addressing issues with the end-to-end systems and processes. Our goal is to move from a 'work around' mentality to a 'fix it and improve it' mentality. Jeff and Vicky will be working closely together on these goals.

Peter Nixon is president and his scope includes regulatory matters, governmental affairs, supply chain, economic development and the entire operations of the Telecom Group. Of note, Peter and his team recently submitted applications for broadband stimulus funding for northern New England, Missouri and Florida and he can elaborate on that later if you'd like. I'm holding Peter accountable for all regulatory and government activities.

From time to time we all may have a lively discussion about what is fact and what is fiction. But at the end of the day, I think we all have the same goal in mind, and that is for FairPoint to provide a great customer experience.

What's very clear to me is that we have talented, dedicated employees; a reliable network that we're continuing to invest in; new advanced operating and support systems that we're beginning to optimize; and great potential to bring the kind of connectivity to the people of this region that they deserve.

For each of our customers in these three states, the experience over the past few months has been a little different. For some, it has been great. For others, there have been issues. I intend to spend a few minutes this afternoon briefly glancing at the past, dealing with the present and, looking into the future. Let's face it; the future is what should really matter to all of us.

It's a fact that customers can call into our customer service center and their calls are answered in 20 seconds or less more than 89 percent of the time. That's important enough to warrant elaboration. Speed of answer is an important metric we track every hour of every day. For residential and some business customers, the customer service rep is the first point of contact to place orders, change service, disconnect service, or make inquiries. In the past couple months I've personally received numerous letters and emails directly from customers. Some tell me they've had a poor experience with FairPoint. We escalate those customers to a highly trained team and sometimes I pick up the phone myself to call the customer. Some of the recent letters are from customers who had an issue, spoke with a customer service representative and were so impressed that they took the time to tell us about it. In many cases the customer identifies the employee by name. Here's an excerpt from a letter from a customer in Manchester.

'Today I spoke with an employee of yours named Penny Debono. What a treat to be spoken to like a real customer. She treated me with dignity and respect and listened to every word I said. Then she gave me the service I expected from a company like yours.'

While this representative letter is important, I don't want to overstate the positives. We have plenty of room for improvement. We know we're not reducing the number of customer complaints that escalate to you fast enough. According to our records, the majority of escalations are about billing errors, followed by complaints about late orders.

The real way to reduce the number of customer escalations coming into your offices is to eliminate the causes of the complaints in the first place. So let's talk about that for a minute. Let's take the two big buckets of customer complaints, billing errors and on-time service, and dig a little deeper.

First, billing. Among other things, we look at what percentage of our consumer bills are impacted by known defects in our system. That performance level is on target. We also look at how accurate our business and CLEC bills are today as compared to the time before the systems cutover. That's not on target. Let me touch on what we are doing about our performance in this area. We are individually evaluating and reconciling these bills with the customers because of their complexity. This is important to the customer but it is also important to FairPoint because we need to be paid for the services we have provided. Jeff's team is handling this.

Next, new order installations, specifically late orders. Customers expect to call FairPoint, place an order, and for the order to be installed in a reasonable amount of time which we call a 'standard installation interval.' Today we have about 10,400 new, or modify, service orders inside our systems flowing through the various stages, most of which will complete on time. There are always going to be some of that 10,000 that will not complete within the standard installation interval, many for the right reasons. In some cases, before the order can be completed, new equipment may have to be installed. In other cases, we have to actually build new network facilities and sometimes, the customer has a hold on the order until they finish their construction project. That's not what we're really concerned about. We are focused, however, on orders for which customers are awaiting new service or are making changes to their current service that are just late. That's about 2,200 or 22 percent of the total orders currently inside our systems. We know where these orders have problems and, that it's a combination of process and system issues. We have identified the areas that need further attention and have improvement plans in place for those areas. Also, we are conducting two forums where representatives from the CLECs are meeting with FairPoint employees to review remaining operational and functionality issues and we've invited a number of CLECs to work side-by-side with us in order to review and provide input on how to improve order flow. We're asking them to bring in their problem orders so we can work through these orders together. Vicky's team has that.

Now, let me talk about our network and the impact cutover had on that. I can sum it up in one word: none. Our network has been performing at pre-cutover levels since we, well, cut over. That's a result of more than a year of rigorous planning and testing. That doesn't mean our lines don't get cut, damaged and are subjected to 'Mother Nature' which sometimes affects the network's performance. Those things come with the territory and when it happens, we fix it as soon as possible. That goes without saying.

I'm just about finished looking at yesterday and today. In my career you learn to take a look back only when you can learn from your mistakes but dwelling there is

not productive. Before I move into the future, let me address one item that has been brought to your attention in the past couple of weeks. I'm talking about the anonymous e-mail that accused FairPoint of improprieties with their testing procedures as they prepared for one of the most complex systems transitions in telecom history. The accusation was that FairPoint and CapGemini deliberately acted in an unethical manner during cutover readiness demonstrations. A thorough investigation into the allegations was conducted by outside legal counsel. The investigation included both interviews with employees and review of previously filed testimony and reports. The investigation found no evidence of wrong doing. I know you can appreciate how difficult it is to respond to anonymous complaints. And yes, it's very annoying to watch people jump to conclusions without giving us a chance to investigate and respond to the claims. That being said, if this anonymous e-mailer or anyone else has facts, and I emphasize facts, they wish to present to us for a closer look, I can assure everyone here that we will research them. I am intent on this company operating with the highest ethical standards. Without further information, in my mind, this issue is closed.

So, while bloggers blog, our sales force is selling, our engineers are engineering, our customer service reps are servicing and installers are installing. You get the picture. Despite what you hear and read, there are lots of customers eager to buy services from FairPoint. In our first advertised promotion in 2009, we found thousands of customers happy to sign up. Our gross connect activity for high-speed Internet in July was up 140 percent above June. Our high-speed Internet customer growth in July 2009 was up more than 250 percent, compared to July 2008.

We are steadily making progress building our next generation network which ultimately means more broadband to more people. That network is designed to carry huge amounts of data very quickly and efficiently, with voice service being one of the many applications that can also travel over the network. The core network is on track for completion September 30 and the first exciting products off that network are scheduled to be launched this winter.

We are taking the necessary steps to put ourselves onto more stable financial footing including cutting costs, new revenue generation, and restructuring our debt. As you're aware, I'm limited as to how much detail I can share in a public forum, but it's been widely reported that in addition to the significant incremental expenses we incurred as a result of post cutover issues, we have been unable to fully implement our operating plan for 2009 and effectively compete in the marketplace, which we believe is having an adverse effect on our business, financial condition, results of operations and liquidity, as well as our ability to continue to comply with the financial covenants in our credit agreement. We have initiated discussions with our debt holders regarding a more comprehensive and permanent restructuring of our current capital structure to reduce indebtedness and debt service obligations. We are considering all other restructuring alternatives available to us, which may include the commencement of an in-court resolution under chapter 11 of the U.S. Bankruptcy Code, with or without a pre-arranged plan of reorganization. If we have to restructure our debt through chapter 11, it's important to understand that our customers will not experience an interruption of service nor will we slow our efforts to improve those areas where improvement is still needed.

Before we begin taking questions, let me summarize by saying I'm glad I became CEO of FairPoint because this company has much potential. You know there's tons of data out there that we all review and evaluate all the time. Jeff Allen has a

dashboard that he looks at daily and most of us look at weekly. It focuses us on where we are doing well and, where we need to improve. It will always have areas for improvement because we will always want to get better.

FairPoint is committed to the people of northern New England. We said we'd bring jobs to the region, invest in the network, foster economic development and invest in the communities where our dedicated 3,500 employees live and work, and we are doing all of those things.

As CEO, I have three priorities. First, recognizing we've made significant strides in improving the customer experience, we know further work is needed in billing accuracy for large business and wholesale accounts, the time it takes for some installations and repairs, and addressing the operational and functionality issues raised by the CLECs. In these areas, we have active plans in place to make those improvements. Second, I am leading this company through our financial issues. And third, we will be working hard to improve our reputation. This company will act with high integrity and we will improve our customer service. Talk is cheap, but, through our actions, we will demonstrate that to our customers and improve our reputation, one customer at a time.

With that, Vicky, Jeff, Peter, and I will take your questions."

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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