

The FairPoint Operating Companies
Summary of FCC Waiver FUSC Line Rates For FairPoint FCC No. 1
2nd Quarter 2016 Contribution Factor

Exhibit - 1

TR 58

<u>Service Type</u>	<u>Calculated</u>
<u>FCC No. 1</u>	<u>FUSC Rate (a)</u>
Res	\$ 1.29
Non-Primary Res	\$ 1.29
Single Line Bus	\$ 1.29
Multi Line Payphone	\$ 1.48
BRI - ISDN	\$ 2.63
PRI - ISDN	\$ 25.20
Multi Line Bus - Other	\$ 2.39
PBX Trunk w/o End User Port Charge	\$ 2.39
PBX Trunk with End User Port Charge	\$ 2.74
Centrex (>= 9 Lines)	\$ 0.26
Centrex (8 Lines)	\$ 0.31
Centrex (7 Lines)	\$ 0.34
Centrex (6 Lines)	\$ 0.40
Centrex (5 Lines)	\$ 0.48
Centrex (4 Lines)	\$ 0.60
Centrex (3 Lines)	\$ 0.79
Centrex (2 Lines)	\$ 1.19
Centrex (1 Line)	\$ 2.39

a) Proposed multi-line rates include the impact of the FCC Waiver Order as modified by the Payphone Modification Order.

**The FairPoint Operating Companies
Calculation of FUSC Rates
2nd Quarter 2016 Contribution Factor**

Service Type	(SLC)	(ARC)	(LNP)	(Port Chg)	Sum	2nd Quarter 2016 Contribution Factor	Max USF Rate Prior to Waiver
	(a)	(b)	(c)	(d)	(e = a+b+c+d)	(f = .179)	(g = e x f)
Res, SL Bus	6.18	1.04	0	0	7.22		1.29
Non-Primary Res	6.18	1.04	0	0	7.22		1.29
Multi Line Bus - Payphone	6.18	2.08	0	0	8.26		1.48
BRI - ISDN	6.18	1.04	0	1.90	9.12		1.63
PRI - ISDN	30.90	10.40	0	46.01	87.31		15.63
Multi Line Bus - Other Except PBX & Flexpath & PSP	6.18	2.08	0	0	8.26		1.48
PBX Trunks & Flexpath w/o Line Port Charges	6.18	2.08	0	0	8.26		1.48
PBX Trunks with End User Port Charge (DID / Flexpath)	6.18	2.08	0	1.21	9.47		1.70
Centrex (>= 9 Lines)	6.18	2.08	0	0	8.26		1.48
Centrex (8 Lines)	6.18	2.08	0	0	8.26		1.48
Centrex (7 Lines)	6.18	2.08	0	0	8.26		1.48
Centrex (6 Lines)	6.18	2.08	0	0	8.26		1.48
Centrex (5 Lines)	6.18	2.08	0	0	8.26		1.48
Centrex (4 Lines)	6.18	2.08	0	0	8.26		1.48
Centrex (3 Lines)	6.18	2.08	0	0	8.26		1.48
Centrex (2 Lines)	6.18	2.08	0	0	8.26		1.48
Centrex (1 Line)	6.18	2.08	0	0	8.26		1.48

The FairPoint Operating Companies
Ratemaking for FUSC Per-line using Centrex Equivalency
2nd Quarter 2016 Contribution Factor

Exhibit - 3

TR 58

Service Type	FCC Order - Separate Rates			Monthly FUSF Reqt.			FCC Waiver	Accuracy Validation	
	Billing	Max USF Rate	Full Rate	CTX Rates	Monthly	Adjusted	Adjusted ML	Total	
	Lines	Prior to Waiver	Requirement	PICC Structure	CTX Loss	Revenue Base	Rates	Recovery	Variance
	(a)	(b)	(c = a x b)	(d = b / 9, 8, 7, etc.)	(e = [b - d] x a)	(f = c - e)	(g = rate x factor)	(h = g x a)	(i = h - c)
New England Combined									
<u>Multi-line Rates</u>									
BRI - ISDN	2,439	\$ 1.63	\$ 3,975.57			\$ 3,975.57	\$ 2.63	\$ 6,409	\$ 2,433
PRI - ISDN	1,783	\$ 15.63	\$ 27,868.29			\$ 27,868.29	\$ 25.20	\$ 44,923	\$ 17,055
Multi Line Bus - Other	49,324	\$ 1.48	\$ 72,999.52			\$ 72,999.52	\$ 2.39	\$ 117,674	\$ 44,674
PBX Trunk w/o End User Port Charge	2,830	\$ 1.48	\$ 4,188.40			\$ 4,188.40	\$ 2.39	\$ 6,752	\$ 2,563
PBX Trunk w/ End User Port Charge	2,170	\$ 1.70	\$ 3,689.00			\$ 3,689.00	\$ 2.74	\$ 5,947	\$ 2,258
Centrex (>= 9 Lines)	32,605	\$ 1.48	\$ 48,255.40	0.1600000	\$ 43,038.60	\$ 5,216.80	\$ 0.26	\$ 8,409	\$ (39,846)
Centrex (8 Lines)	2,328	\$ 1.48	\$ 3,445.44	0.1900000	\$ 3,003.12	\$ 442.32	\$ 0.31	\$ 713	\$ (2,732)
Centrex (7 Lines)	3,031	\$ 1.48	\$ 4,485.88	0.2100000	\$ 3,849.37	\$ 636.51	\$ 0.34	\$ 1,026	\$ (3,460)
Centrex (6 Lines)	4,602	\$ 1.48	\$ 6,810.96	0.2500000	\$ 5,660.46	\$ 1,150.50	\$ 0.40	\$ 1,855	\$ (4,956)
Centrex (5 Lines)	4,455	\$ 1.48	\$ 6,593.40	0.3000000	\$ 5,256.90	\$ 1,336.50	\$ 0.48	\$ 2,154	\$ (4,439)
Centrex (4 Lines)	6,232	\$ 1.48	\$ 9,223.36	0.3700000	\$ 6,917.52	\$ 2,305.84	\$ 0.60	\$ 3,717	\$ (5,506)
Centrex (3 Lines)	8,061	\$ 1.48	\$ 11,930.28	0.4900000	\$ 7,980.39	\$ 3,949.89	\$ 0.79	\$ 6,367	\$ (5,563)
Centrex (2 Lines)	10,572	\$ 1.48	\$ 15,646.56	0.7400000	\$ 7,823.28	\$ 7,823.28	\$ 1.19	\$ 12,611	\$ (3,036)
Centrex (1 Line)	614	\$ 1.48	\$ 908.72	1.4800000	\$ -	\$ 908.72	\$ 2.39	\$ 1,465	\$ 556
	<u>131,046</u>		<u>\$ 220,021</u>		<u>\$ 83,530</u>	<u>\$ 136,491</u>		<u>\$ 220,021</u>	<u>\$ -</u>
Multi-line Adjustment Factor					([Revenue Loss / adjusted base] +1) =		\$ 1.61		