

**The FairPoint Operating Companies**  
**Summary of FCC Waiver FUSC Line Rates For FairPoint FCC No. 1**  
**4th Quarter 2016 Contribution Factor**

Exhibit - 1

TR 60

<u>Service Type</u>	<u>Calculated</u>
<u>FCC No. 1</u>	<u>FUSC Rate (a)</u>
Res	\$ 1.27
Non-Primary Res	\$ 1.27
Single Line Bus	\$ 1.27
Multi Line Payphone	\$ 1.46
BRI - ISDN	\$ 2.59
PRI - ISDN	\$ 24.76
Multi Line Bus - Other	\$ 2.36
PBX Trunk w/o End User Port Charge	\$ 2.36
PBX Trunk with End User Port Charge	\$ 2.70
Centrex (>= 9 Lines )	\$ 0.26
Centrex ( 8 Lines )	\$ 0.29
Centrex ( 7 Lines )	\$ 0.34
Centrex ( 6 Lines )	\$ 0.39
Centrex ( 5 Lines )	\$ 0.47
Centrex ( 4 Lines )	\$ 0.60
Centrex ( 3 Lines )	\$ 0.79
Centrex ( 2 Lines )	\$ 1.18
Centrex ( 1 Line )	\$ 2.36

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  
4th Quarter 2016 Contribution Factor**

Service Type	(SLC)	(ARC)	(LNP)	(Port Chg)	Sum	4th Quarter 2016 Contribution Factor	Max USF Rate Prior to Waiver
	(a)	(b)	(c)	(d)	(e = a+b+c+d)	(f = .174)	(g = e x f)
Res, SL Bus	6.20	1.10	0	0	7.30		1.27
Non-Primary Res	6.20	1.10	0	0	7.30		1.27
Multi Line Bus - Payphone	6.20	2.20	0	0	8.40		1.46
BRI - ISDN	6.20	1.10	0	1.90	9.20		1.60
PRI - ISDN	31.00	11.00	0	46.01	88.01		15.31
Multi Line Bus - Other Except PBX & Flexpath & PSP	6.20	2.20	0	0	8.40		1.46
PBX Trunks & Flexpath w/o Line Port Charges	6.20	2.20	0	0	8.40		1.46
PBX Trunks with End User Port Charge (DID / Flexpath)	6.20	2.20	0	1.21	9.61		1.67
Centrex (>= 9 Lines )	6.20	2.20	0	0	8.40		1.46
Centrex ( 8 Lines )	6.20	2.20	0	0	8.40		1.46
Centrex ( 7 Lines )	6.20	2.20	0	0	8.40		1.46
Centrex ( 6 Lines )	6.20	2.20	0	0	8.40		1.46
Centrex ( 5 Lines )	6.20	2.20	0	0	8.40		1.46
Centrex ( 4 Lines )	6.20	2.20	0	0	8.40		1.46
Centrex ( 3 Lines )	6.20	2.20	0	0	8.40		1.46
Centrex ( 2 Lines )	6.20	2.20	0	0	8.40		1.46
Centrex ( 1 Line )	6.20	2.20	0	0	8.40		1.46

**The FairPoint Operating Companies**  
**Ratemaking for FUSC Per-line using Centrex Equivalency**  
**4th Quarter 2016 Contribution Factor**

Exhibit - 3

TR 60

Service Type	FCC Order - Separate Rates			Monthly FUSF Req.			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)
<b>New England Combined</b>									
<b>Multi-line Rates</b>									
BRI - ISDN	2,339	\$ 1.60	\$ 3,742.40			\$ 3,742.40	\$ 2.59	\$ 6,051	\$ 2,309
PRI - ISDN	1,800	\$ 15.31	\$ 27,558.00			\$ 27,558.00	\$ 24.76	\$ 44,560	\$ 17,002
Multi Line Bus - Other	46,801	\$ 1.46	\$ 68,329.46			\$ 68,329.46	\$ 2.36	\$ 110,486	\$ 42,157
PBX Trunk w/o End User Port Charge	2,675	\$ 1.46	\$ 3,905.50			\$ 3,905.50	\$ 2.36	\$ 6,315	\$ 2,410
PBX Trunk w/ End User Port Charge	1,943	\$ 1.67	\$ 3,244.81			\$ 3,244.81	\$ 2.70	\$ 5,247	\$ 2,002
Centrex (>= 9 Lines)	30,944	\$ 1.46	\$ 45,178.24	0.1600000	\$ 40,227.20	\$ 4,951.04	\$ 0.26	\$ 8,006	\$ (37,173)
Centrex ( 8 Lines )	2,256	\$ 1.46	\$ 3,293.76	0.1800000	\$ 2,887.68	\$ 406.08	\$ 0.29	\$ 657	\$ (2,637)
Centrex ( 7 Lines )	3,073	\$ 1.46	\$ 4,486.58	0.2100000	\$ 3,841.25	\$ 645.33	\$ 0.34	\$ 1,043	\$ (3,443)
Centrex ( 6 Lines )	4,596	\$ 1.46	\$ 6,710.16	0.2400000	\$ 5,607.12	\$ 1,103.04	\$ 0.39	\$ 1,784	\$ (4,927)
Centrex ( 5 Lines )	4,450	\$ 1.46	\$ 6,497.00	0.2900000	\$ 5,206.50	\$ 1,290.50	\$ 0.47	\$ 2,087	\$ (4,410)
Centrex ( 4 Lines )	6,316	\$ 1.46	\$ 9,221.36	0.3700000	\$ 6,884.44	\$ 2,336.92	\$ 0.60	\$ 3,779	\$ (5,443)
Centrex ( 3 Lines )	8,106	\$ 1.46	\$ 11,834.76	0.4900000	\$ 7,862.82	\$ 3,971.94	\$ 0.79	\$ 6,422	\$ (5,412)
Centrex ( 2 Lines )	10,744	\$ 1.46	\$ 15,686.24	0.7300000	\$ 7,843.12	\$ 7,843.12	\$ 1.18	\$ 12,682	\$ (3,004)
Centrex ( 1 Line )	632	\$ 1.46	\$ 922.72	1.4600000	\$ -	\$ 922.72	\$ 2.36	\$ 1,492	\$ 569
	<u>126,675</u>		<u>\$ 210,611</u>		<u>\$ 80,360</u>	<u>\$ 130,251</u>		<u>\$ 210,611</u>	<u>\$ 0</u>
Multi-line Adjustment Factor					([Revenue Loss / adjusted base] +1) =		\$ 1.62		