

Michael C. Reed
State President
FairPoint Communications

65th Annual NECPUC Symposium
Rockport, Maine
May 21, 2012



www.FairPoint.com

Consumer Protection in Competitive Markets

Telecommunications Regulatory Parity in Maine and Vermont

MAINE

- New law effective August 15, 2012.
- Marketplace replaces traditional Rate of Return and AFOR regulation.
- Retail Telecommunications services deregulated except for Provider of Last Resort ("POLR") service.
- Regulatory oversight for service quality and price limited to POLR.
- Deregulation of VoIP made permanent.



MAINE - POLR

- Obligation assigned to the ILEC.
- Minimum basic service at affordable rates.
- Consumer protections maintained.
- Service Quality oversight.
- Access to PUC Consumer Assistance Division.



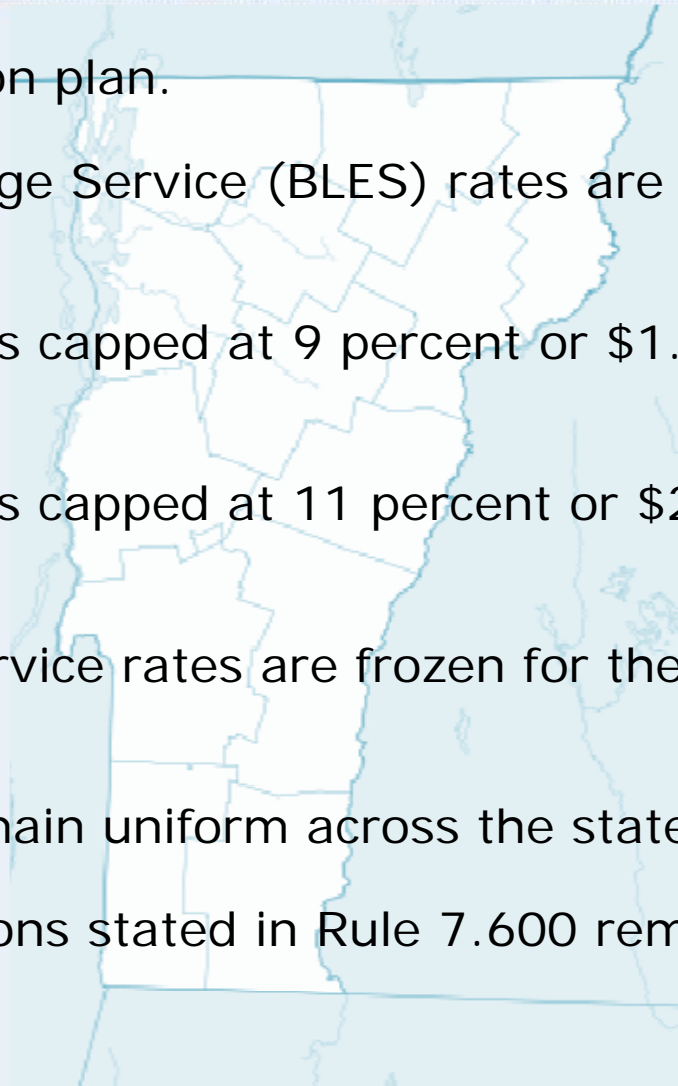
MAINE – POLR COST

- Competition eliminates traditional POLR support mechanisms.
- Support network to support POLR.
- All providers pay in.
- Funding studied this summer.



VERMONT

- Incentive Regulation plan.
- Basic Local Exchange Service (BLES) rates are frozen for one year.
- Basic rate increases capped at 9 percent or \$1.50 for years 2 and 3 of the plan.
- Basic rate increases capped at 11 percent or \$2.00 for years 4 and 5 of the plan.
- Local measured service rates are frozen for the first 2 years of the plan.
- Basic rates will remain uniform across the state.
- Consumer protections stated in Rule 7.600 remain in place.



VERMONT – UNIVERSAL SERVICE



- S 180 recently passed.
- SUSF funds to ILEC's maintain universal basic local service to all areas of the state.
- Study this summer.
- Interim fund.
- All providers pay in.

SUMMARY

- Competition is managing the retail market, service quality and price
- POLR/COLR service is necessary for ongoing consumer protection
- POLR funding/SUSF necessary to maintain POLR services

