

October 16, 2014

Board of Directors
ConnectME Authority
78 State House Station
Augusta, ME 04333-0078

RE: 9th Round ConnectME grant challenge for the Old Town/Orono project

Dear ConnectME Board of Directors:

On August 4, 2014, FairPoint Communications-NNE ("FairPoint" herein) notified the ConnectME Board of Directors that it was challenging the 9th round ConnectME grant for the Old Town/Orono project on the grounds that FairPoint already serves the area contemplated in the OTO grant. Subsequently, FairPoint met with the OTO project's officials, and they assured FairPoint that the that the scope and goals of the Old Town/Orono project would not compete with the private sector. Therefore, FairPoint withdrew its challenge to the OTO project ConnectME grant on September 24, 2014. FairPoint remains confident that these assurances were made in good faith and that the OTO project will not compete with FairPoint or other telecommunications providers.

FairPoint remains concerned, however, that the use of ConnectME funds continues to be focused on the tenets of the ConnectME statute and rule. Specifically, the ConnectME rule, Chapter 101 §6.D.2, states: "...A project that serves an underserved area may only be funded if funds are available after all eligible applications for projects to serve unserved areas have been funded..."

FairPoint Communications has participated in the ConnectME Authority's broadband deployment grant program for many years. FairPoint fully supports the mission of the Authority to provide funding for broadband deployment to those unserved areas of Maine where a business case for private investment cannot be made. We also appreciate the great care taken by the Authority to avoid using public funds in areas of the state where private investment has already occurred.

However, as I have previously stated, I continue to be concerned whether ConnectME funds are currently being used for projects that go beyond the scope of the Authority's original purpose. Perhaps the original goal of the ConnectME Authority is being overshadowed by other worthwhile projects and if so, perhaps the ConnectME statute and rule should be amended so they properly match the Authority's current practice.

If I may provide additional information or assist you in any way, please don't hesitate to contact me.

Sincerely,



Michael C. Reed
Maine State President