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November 19, 2002

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Re:

Docket No. 020703-TI

FairPoint Communications Solutions Corp.

NOV 2 0 2002

FIGERIDA PUBLIC SERVICE COMMISSION
GENERAL COUNSEL

Dear Mr. Teitzman:

This letter is being sent to follow-up on our previous conversations regarding Docket No. 020703-TI, a compliance investigation docket that addresses alleged violations of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees ("RAFs") by FairPoint Communications Solutions Corporation ("FairPoint"). FairPoint admits that it has not yet paid its 2001 RAFs as required by Rule 25-24.0161, Florida Administrative Code incorporated by Rule 25-24.480, Florida Administrative Code. FairPoint's failure to timely pay its 2001 RAFs was an oversight and FairPoint is currently calculating the appropriate regulatory assessment fee due to the Florida Public Service Commission for calendar year 2001 and intends to file a belated 2001 regulatory assessment fee report along with the appropriate fee, penalties and interest.

As we discussed, FairPoint was forced to terminate approximately 1,000 employees in its ALEC and IXC business sections prior to December 2002. As a result of the employee downsizing, FairPoint had only a few employees to operate its continuing IXC business, and FairPoint inadvertently overlooked its responsibility to file its 2001 regulatory assessment fees in Florida. It was never FairPoint's intention to violate Rule 25-4.0161, Florida Administrative Code, or any other regulatory requirement of the Florida Public Service Commission. FairPoint has taken the steps necessary to prevent a similar oversight in the future. Since becoming aware of its failure to file its 2001 regulatory assessment fees, FairPoint has developed an internal method to automatically calendar its regulatory assessment fee return on an annual basis.

AUS was
CAF reg
CMP nec
CTR 200
ECR calc
GCL
OPC
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Finally, we would like to offer a settlement as follows:

- 1) FairPoint agrees to file its Interexchange Company regulatory assessment fee return with the Commission no later than December 6, 2002.
- 2) FairPoint agrees to pay all outstanding regulatory assessment fees, penalties, and interest due for 2001, no later than December 6, 2002.
- 3) Finally, FairPoint proposes that it pay a \$500.00 administrative fee in addition to the above amounts to the Florida Public Service Commission to fully resolve all issues raised in the docket.

Please review the matter and advise me at your earliest convenience whether FairPoint's offer of settlement is acceptable to the Commission. I look forward to hearing from you in the near future.

Sincerely,

Martin P. McDonnell

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MPM/rl

cc: Mr. John LaPenta

GTCom\teitzman.ltr