




Exhibit MDP-13

**News Reports Describing Penalties Assessed to
FairPoint for Customer Service Problems and
FairPoint's Financial Status**

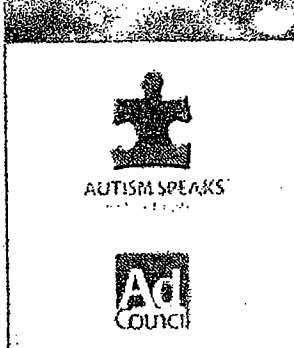
FairPoint asks state regulators to reduce penalties

By GARRY RAYNO
New Hampshire Union Leader Staff
Friday, Aug. 14, 2009

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ODDS OF A CHILD BECOMING
A PROFESSIONAL
ATHLETE: 1 in 16,000



CONCORD – FairPoint Communications was before state regulators yesterday seeking to reduce the fines and penalties it would have to pay for poor service to wholesale customers.

But representatives from competitive local exchange carriers said changes should not be made until FairPoint improves service.

"FairPoint is the poster child for meeting a PAP (performance assurance plan)," Trina Bragdon of CRC Communications of Maine said.

Alan Shoer, representing BayRing Communications, said if the commission reduces the fines and penalties, "you will reduce the incentive for FairPoint to get its act together and provide quality service."

Meanwhile, the company spelled out its financial difficulties in a recent federal filing, raising the possibility of a Chapter 11 bankruptcy, although it recently completed a reorganization of its debt with bondholders.

Part of the company's financial difficulty results from customers leaving its system. Landline and Internet customers left the company at a faster rate in the second quarter of this year than in the first, reducing the company's second-quarter revenue by 3.9 percent, the report says.

Since July 1, 2008, more than 40,000 customers have left the company's system in Northern New England.

The number of residential landline customers is down 13.4 percent from a year ago; business customer landlines are down 7.5 percent and high-speed data lines declined 1.9 percent.

FairPoint is currently negotiating further with bondholders for a more comprehensive and permanent restructuring of its debt. In an Aug. 6 conference call with Wall Street analyst, FairPoint CEO David Hauser said: "If we are not successful in these negotiations, and if we do fall out of compliance with the covenants in our bank credit facility, it is possible that we will need to file for protection under Chapter 11 of the bankruptcy code."

The filing says FairPoint may not be able to comply with financial covenants as soon as the end of next month.

"We believe the decline in northern New England reflects the absence of promotion activity during the first half of 2009 as a result of cut-over related issues," the company writes in the filing.

The costs associated with the switch continue to be larger than anticipated, according to the report.

When the company made the switch, some customers lost service, others could not access their e-mail, and there were numerous billing errors, long waits on customer service lines, service delays and system errors. Similar problems occurred in Maine and Vermont.

In response, FairPoint hired additional staff for call centers, reassigned engineers and hired consultants to review the company's processes and leadership to address the problems.

Yesterday at a hearing before the PUC, an attorney representing the company said the maximum fines under the performance plan exceed its current net revenues.

Attorney Harry Malone III, representing FairPoint, said other states have modified their performance plans to limit penalties to 39 percent of net revenue, which is severe enough to make utilities maintain good service without putting companies at financial risk. "That strikes a proper balance between all the parties," he said.

The commission is not expected to make a determination on FairPoint's request for some time.

A meeting of regulators from New Hampshire, Vermont and New Hampshire with FairPoint officers is scheduled Sept. 9 in Concord.

YOUR COMMENTS

It is time to move beyond Fairpoint. they own yesterday's technology and propose