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APPLICATIONS FILED FOR THE TRANSFER OF CONTROL OF FRONTIER COMMUNICATIONS PARENT, INC. TO VERIZON COMMUNICATIONS INC.

PLEADING CYCLE ESTABLISHED

WC Docket No. 24-445

Comments Due: December 9, 2024

Reply Comments Due: December 24, 2024

By this Public Notice, the Wireline Competition Bureau, Office of International Affairs, and Wireless Telecommunications Bureau seek comment from interested parties on a series of applications filed by Frontier Communications Parent, Inc. (Frontier) and Verizon Communications Inc. (Verizon) (together, Applicants). Applicants request Commission consent under sections 214 and 310(d) of the Communications Act of 1934, as amended (the Act), and sections 1.948, 63.03-04, 63.18, and 63.24 of the Commission's rules, to transfer control of the authorizations and licenses held by wholly owned subsidiaries of Frontier to Verizon through a merger transaction (the Transaction). Under this Transaction, if approved, Verizon would acquire 100% of Frontier and its subsidiaries. Following this merger, Frontier will be the surviving entity and become a wholly owned, direct subsidiary of Verizon; the Licensees will become indirect, wholly owned subsidiaries of Verizon.

Applicants

Frontier, a publicly-traded Delaware corporation, currently owns and operates more than 50 incumbent local exchange carriers (LECs) and a small number of competitive LECs in 25 states throughout the country.⁴ Through its interexchange carrier (IXC) subsidiaries, Frontier also provides

¹ Joint Application for Consent to Transfer Control of Domestic and International Authority Pursuant to Section 214, WC Docket No. 24-445 (filed Oct. 11, 2024) (Lead Application). Applicants also filed applications to transfer control of Frontier's wireless licenses. The licenses and authorizations subject to the applications are listed in Attachment A of this Public Notice. The wholly owned subsidiaries of Frontier identified in Attachment A to this Public Notice as holding the domestic and international section 214 authority and wireless licenses are collectively referred to as the Licensees.

² See 47 U.S.C. §§ 214, 310(d).

³ 47 CFR §§ 1.948, 63.03-04, 63.18, 63.24.

⁴ See Lead Application at 2, 8-9, and Exh. A (International and Domestic Authorizations Being Transferred). Frontier's current service territories are located in Alabama, Arizona, California, Connecticut, Florida, Georgia, Illinois, Indiana, Iowa, Michigan, Minnesota, Mississippi, Nebraska, Nevada, New Mexico, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, Utah, West Virginia, and Wisconsin. Frontier also

intrastate, interstate, and international long-distance service on a resale basis in each of the states where Frontier operates as an incumbent LEC.⁵ Frontier itself does not provide any domestic telecommunications services or hold any international section 214 authorizations.⁶ Applicants state that Frontier, acting through its operating subsidiaries, provides communications services to urban, suburban, and rural communities in its service areas.⁷ Applicants further state that Frontier's operating subsidiaries offer residential consumers, businesses, and wholesale customers a broad range of communications services available as distinct products or in bundles that include data and Internet services, voice services, video services, access products, advanced hardware/network solutions, and other services.⁸

Verizon is a publicly traded Delaware corporation in which no individual or entity, including foreign owners, holds a 10% or greater ownership interest. Through its subsidiaries, it provides competitive LEC and IXC services in all 50 states (and competitive LEC services in the District of Columbia) and serves as an incumbent LEC in all or portions of the following states/jurisdictions: Connecticut, Delaware, Maryland, Massachusetts, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Virginia, and the District of Columbia. Verizon also operates as a nationwide provider of commercial mobile wireless and fixed wireless broadband services. Verizon does not itself provide any domestic telecommunications services or hold any international section 214 authorizations. The Verizon companies offer data, video, and voice services and solutions on their networks and platforms. Applicants state that following the Transaction, Verizon will directly hold a 100% equity and voting interest in Frontier and that no other individual or entity will hold directly or indirectly a 10% or greater equity and/or voting interest in Licensees.

Description of the Transaction

On September 4, 2024, Verizon and Frontier entered into an Agreement and Plan of Merger under which Verizon will acquire 100% of Frontier and its subsidiaries. The Transaction will occur through the merger of Frontier with France Merger Sub Inc., a wholly owned subsidiary of Verizon created for purposes of the Transaction.¹⁴ Following this merger, Frontier will be the surviving entity and will become a wholly owned, direct subsidiary of Verizon; the Licensees will become indirect, wholly owned subsidiaries of Verizon.¹⁵ After closing, the Licensees will continue to hold their section 214 authorizations and wireless radio service licenses.¹⁶

serves a *de minimis* number of customers in Virginia, which are served by its cross-state border facilities in West Virginia. *See* Lead Application at n.4.

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<sup>5</sup> Id. at 2 and Exh. A.
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⁶ *Id*. at 5, 8.

⁷ *Id*. at 3.

⁸ *Id.* at 3, 8.

⁹ *Id*. at 9.

¹⁰ *Id*.

¹¹ *Id.* at 5, 8.

¹² *Id*. at 3.

¹³ *Id.* At 6 and Exh. D (Post-Close Ownership of Frontier and Licensees).

¹⁴ *Id* at 3

¹⁵ *Id*.

¹⁶ *Id*.

The majority of the Licensees to be transferred are currently eligible telecommunications carriers (ETCs) and will continue to be ETCs post-Transaction.¹⁷ Certain of the Licensees currently receive universal service high-cost support. Applicants assert that the Transaction will not result in any changes to the management, technology, debts, or other matters that would compromise the support recipients' ability to meet their USF high cost service obligations.¹⁸ Frontier would, upon grant of the Application by the Commission, transfer to Verizon Rural Digital Opportunity Fund (RDOF) obligations and all related past and future RDOF funding associated with the Transaction.

Statement of Public Interest

Applicants assert that grant of the Transaction will serve the public interest, convenience, and necessity by allowing Verizon to build on Frontier's efforts to upgrade and expand its fiber network and address challenges that risk Frontier's continued success, including the financial condition of the Frontier operating subsidiaries.¹⁹

Applicants assert that Frontier faces obstacles to its continued growth and long-term competitiveness.²⁰ After emerging from bankruptcy in 2021, Frontier shifted to a "fiber-first strategy" and targeted passing 10 million locations nationwide with fiber by 2026.²¹ Applicants explain that while Frontier is currently on track to completing its plan—having passed 7.2 million locations as of August 2024—it does not have funding in place for further investment or additional fiber buildouts beyond that point.²² Moreover, they state that Frontier has incurred a significant amount of indebtedness as a result of its efforts. From 2021 through June 2024. Frontier invested \$4.1 billion upgrading and expanding its fiber network and will need to expend more in 2025 and 2026 to complete its plans to pass 10 million locations.²³ According to Applicants, Frontier's current debt level may impact its ability to obtain additional debt or equity financing on favorable terms, which will make it harder for Frontier to keep investing in fiber at the level necessary to compete and meet the needs of its customers.²⁴ Applicants contend that Verizon is managerially, technically, and financially well-qualified to complete the acquisition, assume ownership and control of Frontier's operating subsidiaries, and operate Licensees and Frontier's network.²⁵ Applicants assert that with a market capitalization of approximately \$185 billion, and revenues of approximately \$134 billion and free cash flow of \$18.7 billion in 2023, Verizon has the financial qualifications to undertake the transaction and operate the Frontier companies and assets.²⁶ Moreover, as the former owner of most of Frontier's facilities. Applicants contend that Verizon is uniquely familiar with portions of Frontier's network, the service areas, and customers at issue.²⁷

¹⁷ Lead Application at 12.

¹⁸ Lead Application at 11.

¹⁹ *Id.* at Exh. C (Public Interest Statement) at 2-4.

²⁰ *Id*. at 2.

²¹ *Id*.

²² *Id.* at 2-3.

²³ *Id*.

²⁴ *Id*. at 3.

²⁵ *Id*. at 5.

²⁶ *Id*. at 6.

²⁷ *Id*.

In addition to its financial challenges, Applicants assert that Frontier also faces challenges competing against a growing number of communications service providers.²⁸ They state that Frontier does not offer bundled service offerings, such as home broadband with mobile wireless service,²⁹ which Applicants assert that they will be able to do after the transaction is complete.³⁰ They state that unlike Frontier, Verizon will also offer a "voluntary, nationwide low-income pricing option" that will enhance affordability of home Internet service for eligible customers.³¹ Moreover, Applicants state that Verizon will continue to make mobile wireless service available to customers in Frontier's territory, as well as offer fixed wireless service in parts of Frontier's territory.

Applicants further contend the Transaction will not impact either company's plans under NTIA's Broadband Equity, Access, and Deployment (BEAD) program—both companies are evaluating BEAD and other broadband opportunities independently of one another, and following closing, Verizon has stated that it will honor all commitments Frontier has made in any broadband grants or deployment programs, including BEAD.³²

Finally, Applicants assert that the Transaction will not result in competitive harm.³³ Applicants contend that none of the local Frontier incumbent LEC operations to be acquired by Verizon in the Transaction materially overlap with any of Verizon's existing incumbent LEC exchanges.³⁴ Applicants further contend that their incumbent LEC "geographic services areas are complementary, and with only de minimis exceptions, Frontier and Verizon do not compete for customers in the provision of wired mass-market services, nor do they have any plans to significantly do so in the future."³⁵ While Applicants acknowledge some overlaps of fiber facilities for non-mass-market uses, such as Verizon's deployment of fiber facilities in some portions of Frontier's territory used to support Verizon's wireless network and to serve a small number of business customers, they maintain that such facilities are not related to fiber-to-the-premises facilities to service consumers.³⁶

GENERAL INFORMATION

The applications identified herein have been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies.

Interested parties may file comments and reply comments on or before the dates indicated on the first page of this document. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS).

- Electronic Filers: Comments may be filed electronically using the Internet by accessing ECFS at http://apps.fcc.gov/ecfs/.
- Paper Filers: Parties who choose to file by paper must file an original and one copy of each filing.
 - Filings can be sent by hand or messenger deliver, by commercial courier, or by the U.S.

²⁸ *Id*. at 3.

²⁹ *Id*.

³⁰ *Id*. at 13.

³¹ *Id*. at 12.

³² *Id*. at 6-7.

³³ *Id.* at 1, 18.

³⁴ *Id*. at 9.

³⁵ *Id*.

³⁶ *Id.* at 9-10.

Postal Service. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

- Hand-delivered or messenger-delivered paper filings for the Commission's Secretary are accepted between 8:00 a.m. and 4:00 p.m. by the FCC's mailing contractor at 9050 Junction Drive, Annapolis Junction, MD 20701. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes and boxes must be disposed of before entering the building.
- Commercial courier deliveries (any deliveries not by the U.S. Postal Service) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701.
- Filings sent by U.S. Postal Service First-Class Mail, Priority Mail, and Priority Mail Express must be sent to 45 L Street, NE, Washington, DC 20554.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (TTY).

In addition, e-mail one copy of each pleading to each of the following:

- 1) Randall Sifers, Competition Policy Division, Wireline Competition Bureau, randall.sifers@fcc.gov;
- 2) David Krech, Office International Affairs, david.krech@fcc.gov;
- 3) Nadja Sodos-Wallace, Wireless Telecommunications Bureau, Nadja.SodosWallace@fcc.gov;
- 4) Halie Peacher, Wireless Telecommunications Bureau, Halie.Peacher@fcc.gov; and
- 5) Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

The proceeding in this Notice shall be treated as a "permit-but-disclose" proceeding in accordance with the Commission's *ex parte* rules. Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter's written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with rule 1.1206(b), 47 CFR § 1.1206(b). Participants in this proceeding should familiarize themselves with the Commission's *ex parte* rules.

To allow the Commission to consider fully all substantive issues regarding the application in as timely and efficient a manner as possible, petitioners and commenters should raise all issues in their initial filings. New issues may not be raised in responses or replies.³⁷ A party or interested person seeking to raise a new issue after the pleading cycle has closed must show good cause why it was not possible for it to have raised the issue previously. Submissions after the pleading cycle has closed that seek to raise new issues based on new facts or newly discovered facts should be filed within 15 days after

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³⁷ See 47 CFR § 1.45(c).

such facts are discovered. Absent such a showing of good cause, any issues not timely raised may be disregarded by the Commission.

For further information, please contact Randall Sifers at (202) 418-2325.

ATTACHMENT A

SECTION 214 AUTHORIZATIONS

A. International

The applications for consent to the transfer of control of certain international section 214 authorizations have been assigned the file numbers listed below.

File Number	Authorization Holder	Authorization Number
ITC-T/C-20241014-00165	Citizens Telecommunications Company of California Inc.	ITC-214-20080219-00078
ITC-T/C-20241014-00164	Commonwealth Telephone Enterprises, LLC	ITC-214-19960726-00343
ITC-T/C-20241014-00163	Frontier California Inc.	ITC-214-10080219-00063
ITC-T/C-20241014-00162	Frontier Communications of America, Inc.	ITC-214-19971202-00753 ITC-214-20001121-00680
ITC-T/C-20241014-00161	Frontier Communications of the Carolinas LLC	ITC-214-20090528-00564
ITC-T/C-20241014-00160	Frontier Communications of the Southwest Inc.	ITC-214-20090528-00563
ITC-T/C-20241014-00159	Frontier Communications Online Long Distance Inc.	ITC-214-20090528-00565
ITC-T/C-20241014-00158	Frontier Florida LLC	ITC-214-20080219-00064
ITC-T/C-20241014-00157	Frontier Midstates Inc.	ITC-214-20080219-00081
ITC-T/C-20241014-00156	Frontier North Inc.	ITC-214-20080219-00082
ITC-T/C-20241014-00155	Frontier Southwest Incorporated	ITC-214-20080219-00077
ITC-T/C-20241014-00154	Frontier West Virginia Inc.	ITC-214-20080219-00071
ITC-T/C-20241014-00153	GVN Services d/b/a/ Global Valley Long Distance	ITC-214-20020225-00113
ITC-T/C-20241014-00152	SNET America, Inc.	ITC-214-19930716-00119 ITC-214-19950215-00064 ITC-MOD-20041129-00487

B. Domestic

Applicants filed an application to transfer control of domestic section 214 authority held by Frontier's wholly owned operating subsidiaries in connection with the proposed transaction – WC Docket No. 24-445.³⁸ Applicants are not seeking streamlined processing for the domestic 214 application under section 63.03-63.04 of the Commission's rules.³⁹

Entity	Place of Organization	Type of Organization	Provider Type	ETC
Citizens Telecommunications Company of California Inc.	California	Corporation	ILEC	Yes
Citizens Telecommunications Company of Illinois	Illinois	Corporation	ILEC	Yes
Citizens Telecommunications Company of Minnesota LLC	Delaware	Limited Liability Company	ILEC	Yes
Citizens Telecommunications Company of Nebraska	Delaware	Corporation	ILEC	Yes
Citizens Telecommunications Company of Nevada	Nevada	Corporation	ILEC	Yes
Citizens Telecommunications Company of New York, Inc.	New York	Corporation	ILEC	Yes
Citizens Telecommunications Company of Tennessee L.L.C.	Delaware	Limited Liability Company	ILEC	Yes
Citizens Telecommunications Company of the White Mountains, Inc.	Delaware	Corporation	ILEC	Yes
Citizens Telecommunications Company of Utah	Delaware	Corporation	ILEC	Yes
Citizens Telecommunications Company of West Virginia	West Virginia	Corporation	ILEC	Yes
Citizens Utilities Rural Company, Inc.	Delaware	Corporation	ILEC	Yes
Commonwealth Telephone Company LLC	Pennsylvania	Limited Liability Company	ILEC	Yes
CTE Telecom, LLC	Pennsylvania	Limited Liability Company	IXC	No
CTSI, LLC	Pennsylvania	Limited Liability Company	CLEC	No
Frontier California Inc.	California	Corporation	ILEC	Yes
Frontier Communications – Midland, Inc.	Illinois	Corporation	ILEC	Yes
Frontier Communications of America, Inc.	Delaware	Corporation	IXC	No

 $^{^{38}}$ See Lead Application at Exh. A, 2-4 for Frontier's operating subsidiaries offering blanket domestic section 214 authority.

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³⁹ See Lead Application at 10; 47 CFR §§ 63.03-04.

Entity	Place of Organization	Type of Organization	Provider Type	ETC
Frontier Communications of Ausable Valley, Inc.	New York	Corporation	ILEC	Yes
Frontier Communications of Breezewood, LLC	Pennsylvania	Limited Liability Company	ILEC	Yes
Frontier Communications of Canton, LLC	Pennsylvania	Limited Liability Company	ILEC	Yes
Frontier Communications of DePue, Inc.	Illinois	Corporation	ILEC	Yes
Frontier Communications of Georgia, LLC	Georgia	Limited Liability Company	ILEC	Yes
Frontier Communications of Illinois, Inc.	Illinois	Corporation	ILEC	Yes
Frontier Communications of Indiana LLC	Indiana	Limited Liability Company	ILEC	Yes
Frontier Communications of Iowa, LLC	Iowa	Limited Liability Company	ILEC	Yes
Frontier Communications of Lakeside, Inc.	Illinois	Corporation	ILEC	Yes
Frontier Communications of Lakewood, LLC	Pennsylvania	Limited Liability Company	ILEC	Yes
Frontier Communications of Michigan, Inc.	Michigan	Corporation	ILEC	Yes
Frontier Communications of Minnesota, Inc.	Minnesota	Corporation	ILEC	Yes
Frontier Communications of Mississippi, LLC	Mississippi	Limited Liability Company	ILEC	Yes
Frontier Communications of Mt. Pulaski, Inc.	Illinois	Corporation	ILEC	Yes
Frontier Communications of New York, Inc.	New York	Corporation	ILEC	Yes
Frontier Communications of Orion, Inc.	Illinois	Corporation	ILEC	Yes
Frontier Communications of Oswayo River, LLC	Pennsylvania	Limited Liability Company	ILEC	Yes
Frontier Communications of Pennsylvania, LLC	Pennsylvania	Limited Liability Company	ILEC	Yes
Frontier Communications of Rochester, Inc.	Delaware	Corporation	ILEC	Yes
Frontier Communications of Seneca-Gorham, Inc.	New York	Corporation	ILEC	Yes
Frontier Communications of Sylvan Lake, Inc.	New York	Corporation	ILEC	Yes

Entity	Place of Organization	Type of Organization	Provider Type	ETC
Frontier Communications of the Carolinas LLC	Delaware	Limited Liability Company	ILEC	Yes
Frontier Communications of the South, LLC	Alabama	Limited Liability Company	ILEC	Yes
Frontier Communications of the Southwest Inc.	Delaware	Corporation	ILEC	Yes
Frontier Communications of Thorntown LLC	Indiana	Limited Liability Company	ILEC	Yes
Frontier Communications of Virginia, Inc.	Virginia	Corporation	ILEC	Yes
Frontier Communications of Wisconsin LLC	Wisconsin	Limited Liability Company	ILEC	Yes
Frontier Communications Online and Long Distance Inc.	Delaware	Corporation	IXC	No
Frontier Communications – Prairie, Inc.	Illinois	Corporation	ILEC	Yes
Frontier Communications – Schuyler, Inc.	Illinois	Corporation	ILEC	Yes
Frontier Dallas TX Fiber 1 LLC	Delaware	Limited Liability Company	CLEC	No
Frontier Florida LLC	Florida	Limited Liability Company	ILEC	Yes
Frontier Midstates Inc.	Georgia	Corporation	ILEC	Yes
Frontier North Inc.	Wisconsin	Corporation	ILEC	Yes
Frontier Southwest Incorporated	Delaware	Corporation	ILEC	Yes
Frontier Telephone of Rochester, Inc.	New York	Corporation	ILEC	Yes
Frontier West Virginia Inc.	West Virginia	Corporation	ILEC	Yes
Navajo Communications Company, Inc.	New Mexico	Corporation	ILEC	Yes
Ogden Telephone Company	New York	Corporation	ILEC	Yes
SNET American, Inc.	Connecticut	Corporation	IXC	No
The Southern New England Telephone Company	Connecticut	Corporation	ILEC	Yes

SECTION 310(d) APPLICATIONS

The applications for consent to the assignment and transfer of control of licenses under section 310(d) have been assigned the file numbers listed below.

Wireless Licenses

ULS File Number	<u>Licensee</u>	Lead Call Sign
001125340040	Citizens Telecommunications Company of California Inc.	KLR825
0011255861	Navajo Communications Company, Inc.	KNKL556
0011255859	Frontier Southwest Incorporated	KG4012
0011255858	Frontier North Inc.	KQK40
0011255857	Frontier Florida LLC	WQIX281
0011255856	Frontier Communications of the Southwest Inc.	KNB36
0011255854	Frontier Communications Holdings, LLC	WRAU425
0011255851	Frontier California Inc.	KF5881
0011255849	Citizens Utilities Rural Company, Inc.	KNLW337
0011255845	Citizens Telecommunications Company of Utah	KFI82
0011255841	Citizens Telecommunications Company of the White Mountains, Inc.	KPR50
0011255837	Citizens Telecommunications Company of Tennessee LLC	WAU236
0011255835	Citizens Telecommunications Company of New York, Inc.	KEH87
0011255829	Citizens Telecommunications Company of Nevada	KYJ80

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⁴⁰ Applicants have designated this as the lead application for the wireless licenses.