

United States Senate

WASHINGTON, DC 20510

March 13, 2019

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The Honorable Ajit Pai
Chairman
Federal Communications Commission
445 12th St. SW
Washington, D.C. 20554

Dear Chairman Pai:

We write to request an investigation into the business practices of Frontier Communications Corporation (Frontier), and its subsidiary Citizens Telecommunications Company of Minnesota, LLC, which together serve approximately 90,000 mostly rural consumers in Minnesota. Last year, hundreds of consumer complaints across the state prompted the Minnesota Public Utilities Commission to request the Minnesota Department of Commerce (Department) to open an investigation into Frontier's quality of internet and telephone service, billing practices, and customer service.

The investigation issued a report in January 2019, detailing circumstances where consumers incurred interruptions of service for months at a time, slow and insufficient repairs, and unauthorized or inaccurate billing errors. Some consumers were charged for a service never provided, experienced a disconnection of service without notification, and were not refunded for outages or erroneous charges. The complaints and report detail that customers were routinely left unable to reach 911 emergency services. Some of those customers, including elderly, disabled, or other particularly vulnerable individuals, required the use of phone service to monitor pacemakers or other urgent medical needs. Frontier further posed public safety hazards where inaction by the telecommunications provider left cables unburied, tied to trees or propane tanks, or crossing private decks, for months, and in some circumstances years. Furthermore, several customers detailed their frustrations when they paid for an advertised—or “up to”—speed that frequently failed to be delivered by the company. Many of these consumers in our state live in areas that do not have another service provider available to them.

Access to broadband is a core economic issue, and Frontier has received more than \$100 million in federal funding over the last four years to improve broadband services in rural Minnesota. However, the report claims Frontier may be underinvesting in its service areas for which it received federal subsidies to build out its broadband network. When rural service issues were reported to the company, the report alleges that Frontier would prioritize repairing requests in more densely populated areas with greater profit margins, and provide better service and equipment repair to those households. When pressed in the investigation, repair tickets for rural and remote customers, which presumably would show lengthy repair times or outages in service, would be “lost” or missing from records. The Department found Frontier's recordkeeping to be

deficient, and raised the question of whether Frontier was illegally concealing its discriminatory behavior.

In the report, the Department questions whether the information provided by Frontier to the Federal Communications Commission (FCC) proves sufficient for regulators to execute oversight of the company and to determine whether Frontier is meeting performance obligations. The report submitted by the Minnesota Department of Commerce concluded that "the information Frontier has submitted has been too minimal for the [Public Utilities] Commission to perform the duties delegated by the FCC, including the authority to investigate and make findings as part of the Commission's obligation to certify to the FCC that the Connect America funds are used appropriately by Frontier." The report recommends requiring Frontier to produce documentation of households where funding was used to serve previously unserved homes, and verify the service available to those newly served locations.

In filing complaints, Minnesota consumers sought assistance from the Minnesota Department of Commerce, the state Attorney General's office, and the FCC. In its report, Minnesota regulators found that Frontier may have broken more than 35 state laws and regulations. Last week, the Minnesota Attorney General's Office revealed it has also opened an investigation into the alleged violations of the state's consumer protection laws. As the FCC is tasked with overseeing its Connect America Fund (CAF) program, it has the obligation to hold companies who receive federal funding accountable to ensure efficient and effective broadband deployment and services.

We respectfully request the FCC commence an investigation into the business practices of Frontier Communications, and its subsidiaries, serving our constituents in Minnesota to determine whether the company is in compliance with CAF funding requirements as designated by the agency.

Sincerely,



Tina Smith
United States Senator



Amy Klobuchar
United States Senator



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

April 26, 2019

The Honorable Amy Klobuchar
United States Senate
425 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Klobuchar:

Thank you for your letter regarding the Commission's efforts to encourage high-speed, reliable, affordable broadband deployment to rural communities. Since my first day as Chairman, my top priority has been closing the digital divide and bringing the benefits of the Internet age to all Americans—in particular, rural Americans who deserve access to what I call digital opportunity. And as we do so, we must demand fiscal responsibility and accountability—funds should be stretched as far as possible and they should be used for the sole purpose of delivering connectivity to consumers.

To that end, the Commission has pursued several programs to extend broadband Internet access to unserved communities. For example, the Commission last year held a "reverse auction" of federal subsidies for broadband deployment as part of Connect America Fund Phase II (CAF Phase II). With respect to the part of CAF Phase II that was directed to price cap carriers, such as Frontier, the FCC required those carriers to meet certain deployment milestones, report deployed locations, submit certain data to the Universal Service Administrative Company (a non-profit corporation which administers the Universal Service Fund on the FCC's behalf), and certify to the FCC that they have met the relevant obligations.

As you know, in 2015, the Commission authorized Frontier to receive CAF Phase II model-based support for nearly 47,000 locations in Minnesota. Before the Commission issued this authorization, Frontier provided a written commitment stating that it would satisfy the service obligations associated with this funding and acknowledging that failure to do so could result in penalties and/or enforcement actions. Since that authorization, Frontier has reported to the FCC that it has met or exceeded each of its deployment milestones in CAF-eligible areas in Minnesota and annually submitted the required reports and certifications. Moreover, the Minnesota Public Utility Commission has annually certified to the Commission that Frontier used the high-cost funds appropriately.

Nevertheless, the FCC will remain vigilant to ensure that our rules are observed and taxpayer funds respected. Accordingly, I have conveyed the information from your letter regarding the state commission's investigation to our staff and have asked them carefully to monitor this development. Thank you for bringing this aspect of the issue to my attention.

Page 2—The Honorable Amy Klobuchar

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,



Ajit V. Pai



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

April 26, 2019

The Honorable Tina Smith
United States Senate
720 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Smith:

Thank you for your letter regarding the Commission's efforts to encourage high-speed, reliable, affordable broadband deployment to rural communities. Since my first day as Chairman, my top priority has been closing the digital divide and bringing the benefits of the Internet age to all Americans—in particular, rural Americans who deserve access to what I call digital opportunity. And as we do so, we must demand fiscal responsibility and accountability—funds should be stretched as far as possible and they should be used for the sole purpose of delivering connectivity to consumers.

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Page 2—The Honorable Tina Smith

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A handwritten signature in blue ink, appearing to read "Ajit V. Pal", is written over the printed name.

Ajit V. Pal