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Name of Filer: Frontier Communications Corporation

Lawfirm Name (required if represented by counsel): Wilkinson Barker Knauer, LLP

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Address For: Law Firm

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City: Washington

State: DISTRICT OF COLUMBIA

Zip: 20037

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SECTION A - Payer Information

(2) PAYER NAME (if paying by credit card, enter name exactly as it appears on your card) **Frontier Communications Corporation**	(3) TOTAL AMOUNT PAID (dollars and cents) **$1130.00**
(4) STREET ADDRESS LINE NO. 1 **3 High Ridge Park**	
(5) STREET ADDRESS LINE NO. 2	

(6) CITY **Stamford**	(7) STATE **CT**	(8) ZIP CODE **06905**

(9) DAYTIME TELEPHONE NUMBER (INCLUDING AREA CODE) **952-4915564**	(10) COUNTRY CODE (IF NOT IN U.S.A.) **US**

FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED

(11) PAYER (FRN) **0003576352**	(12) FCC USE ONLY

IF PAYER NAME AND THE APPLICANT NAME ARE DIFFERENT, COMPLETE SECTION B
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C)

(13) APPLICANT NAME **Frontier Communications Corporation**
(14) STREET ADDRESS LINE NO. 1 **3 High Ridge Park**
(15) STREET ADDRESS LINE NO. 2

(16) CITY **Stamford**	(17) STATE **CT**	(18) ZIP CODE **06905**

(19) DAYTIME TELEPHONE NUMBER (INCLUDING AREA CODE) **952-4915564**	(20) COUNTRY CODE (IF NOT IN U.S.A.) **US**

FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED

(21) APPLICANT (FRN) **0003576352**	(22) FCC USE ONLY

COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET

(23A) FCC Call Sign/Other ID **none2**	(24A) Payment Type Code(PTC) **CDT**	(25A) Quantity **1**
(26A) Fee Due for (PTC) **$1,130.00**	(27A) Total Fee **$1130.00**	FCC Use Only
(28A) FCC CODE 1	(29A) FCC CODE 2	

(23B) FCC Call Sign/Other ID	(24B) Payment Type Code(PTC)	(25B) Quantity
(26B) Fee Due for (PTC)	(27B) Total Fee	FCC Use Only
(28B) FCC CODE 1	(29B) FCC CODE 2	

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)
	)
Verizon Communications Inc.	)
	)
and	)
	)
Frontier Communications Corporation	)
	)
Application for Consent to Partially Assign and Transfer Control of Domestic and International Authorizations Pursuant to Section 214 of the Communications Act of 1934, As Amended	))))

CONSOLIDATED APPLICATION FOR THE PARTIAL ASSIGNMENT AND TRANSFER OF CONTROL OF DOMESTIC AND INTERNATIONAL SECTION 214 AUTHORIZATIONS

Pursuant to Sections 214 of the Communications Act of 1934, as amended ("the Act"),[1] and Sections 63.04, 63.18, and 63.24 of the Commission's rules,[2] Verizon Communications Inc. ("Verizon" or "Transferor") and Frontier Communications Corporation ("Frontier" or "Transferee") (collectively, the "Applicants") request Commission consent to: (1) the transfer control of certain domestic and international Section 214 authorizations held by Verizon's wholly-owned subsidiaries Verizon California Inc. ("Verizon California"), Verizon Florida LLC ("Verizon Florida"), and GTE Southwest Incorporated d/b/a Verizon Southwest ("Verizon Texas") (collectively, the "Transferring Companies") to Frontier; and (2) the assignment of certain long distance customer relationships from Verizon Long Distance LLC ("Verizon LD")

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[1] 47 U.S.C. § 214.

[2] 47 C.F.R. §§ 63.04, 63.18, and 63.24.

to Frontier Communications of America, Inc. ("Frontier America"). The proposed transaction between Frontier and Verizon will benefit residential, business, and wholesale customers and is in the public interest. After closing, Frontier intends to bring world-class customer service and service quality, intense local engagement, and a commitment to and focus on expanding access to wireline voice, broadband, and video services to customers in California, Florida, and Texas, including rural customers in those states. Frontier anticipates that the transaction will achieve substantial efficiencies, promote competition, and benefit customers.

The proposed transaction includes the transfer to Frontier of: (1) certain assets and customer relationships related to Verizon's provision of local exchange, retail broadband, and video services to residential, small business, and enterprise customers in California, Florida, and Texas; and (2) certain related long distance customer relationships in those areas. To effectuate the transaction, Verizon will form a wholly-owned limited liability company ("Newco"). Prior to closing, the ownership interests of the Transferring Companies will be moved to Newco so that the Transferring Companies are wholly-owned direct subsidiaries of Newco. Frontier will then purchase all of the ownership interests of Newco. Upon completion of the transaction, Newco will become a wholly-owned direct subsidiary of Frontier and the Transferring Companies will become wholly-owned indirect subsidiaries of Frontier. In addition, certain customers of Verizon LD in California, Florida, and Texas will be assigned to Frontier America.

Attached as Exhibit 1 is a statement demonstrating that the transaction is in the public interest, including a more detailed description of the parties and of the proposed transaction.

Consistent with Section 63.04(b) and Commission practice, the Applicants have consolidated their request for Commission consent to the transaction into a single lead application, and are submitting separate filings for each affected licensee and/or authorization.

Specifically, the Applicants seek consent to the following:[3]

1. The transfer of control of the blanket domestic Section 214 operating authority held by each of the Transferring Companies.

2. The transfer of control of the international Section 214 authorizations held by Verizon California (ITC-214-20080219-00063), Verizon Florida (ITC-214-20080219-00064), and Verizon Texas (ITC-214-20080219-00077).

3. The transfer of control of 120 wireless licenses held by Verizon California, three wireless licenses held by Verizon Florida, and 11 wireless licenses held by Verizon Texas.[4]

4. The partial assignment of blanket domestic and international Section 214 authority held by Verizon LD to Frontier America as it relates to certain long distance customers in California, Florida, and Texas.[5]

Electronic (IBFS and ECFS) Section 214 applications and FCC Form 603 applications, as needed for each of these licensees, are being filed concurrently. This narrative provides the information required by the International Section 214 Main Form and Sections 63.04 and 63.18 of the Commission's rules.

[3] The domestic and international FCC authorizations and wireless licenses being transferred are listed in Attachment A to Exhibit 1.

[4] The wireless licenses include: (1) Industrial/Business Pool, Conventional; (2) Common Carrier Fixed Point-to-Point Microwave; (3) Microwave Industrial/Business Pool; (4) Business, 896-901/935-940 MHz, Conventional; (5) Rural Radiotelephone; and (6) Local Television Transmission licenses.

[5] Because only certain customer relationships of Verizon LD are being assigned through this transaction, the Applicants seek only a partial assignment of Section 214 authority. Verizon LD will retain its respective international Section 214 authorizations after closing and does not seek to assign them here. Post-closing, Frontier America will serve the assigned customers pursuant to its existing international Section 214 authorization.

I. RESPONSE TO ITEMS ON INTERNATIONAL SECTION 214 MAIN FORM

A. Answer To Question 10 – Section 63.18(c)-(d)

Verizon is a holding company that has a number of wholly-owned subsidiaries which provide communications services and hold various FCC licenses and authorizations. Verizon does not hold any international Section 214 authorizations itself, but directly or indirectly controls many subsidiaries who hold such authorizations to provide international switched resale services and global or limited global facilities-based and resale services, including those held by the Transferring Companies (Verizon California: ITC-214-20080219-00063; Verizon Florida: ITC-214-20080219-00064; and Verizon Texas: ITC-214-20080219-00077). Verizon LD also holds a number of international Section 214 authorizations to provide switched retail and global or limited global facilities-based and resale services.[6]

Frontier is the transferee for all Applications included in this transaction. The address and telephone number for all of these entities post-transaction will be:

Frontier Communications Corporation
3 High Ridge Park
Stamford, CT 06905
203-614-5600

Frontier is a Delaware corporation. Frontier does not hold any international Section 214 authorizations, but directly or indirectly controls subsidiaries that hold international 214

[6] Verizon LD's international Section 214 authorizations include: ITC-214-19960223-00085; ITC-214-19960911-00438; ITC-214-19971223-00811; ITC-214-20001121-00681; ITC-214-20010518-00308; ITC-214-20010713-00379; ITC-214-20011213-00632; ITC-214-20020117-00044; ITC-214-20020213-00081; ITC-214-20020402-00168; ITC-214-20020422-00211; ITC-214-20020705-0032); ITC-214-20020912-00465; ITC-214-19960312-00107; ITC-214-19960812-00377; ITC-214-19971223-00813; ITC-214-20001121-00680; ITC-214-20010518-00309; ITC-214-20010713-00380; ITC-214-20011213-00630; ITC-214-20020117-00045; ITC-214-20020213-00082; ITC-214-20020402-00170; ITC-214-20020422-00209; ITC-214-20020705-00327; and ITC-214-20020912-00464.

authorizations to provide international facilities-based and/or resold services, including Frontier America (ITC-214-19971202-00753).[7]

Correspondence concerning these Applications should be directed to:

For Frontier:

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Vice President & Associate General Counsel
Frontier Communications Corporation
2378 Wilshire Blvd.
Mound, MN 55364
952.491.5564 (tele.)
952.491.5577 (fax)
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For Verizon:

Katharine Saunders
Assistant General Counsel
Verizon
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Arlington, VA 22201
703.351.3097 (tele.)
703.351.3655 (fax)
katharine.saunders@verizon.com

With a copy to:

Bryan N. Tramont
William F. Maher
Jennifer L. Kostyu
Wilkinson Barker Knauer, LLP
2300 N Street, N.W., Suite 700
Washington, D.C. 20037
202.783.4141 (tele.)
202.783.5851 (fax)
BTramont@wbklaw.com
WMaher@wbklaw.com
JKostyu@wbklaw.com

[7] The other Frontier subsidiaries that hold international Section 214 authorizations are: Commonwealth Telephone Enterprises, Inc. (ITC-214-19960726-00343); GVN Services (ITC-214-20020225-00113); Frontier Communications Online and Long Distance Inc. (ITC-214-20090528-00565); Frontier Communications of the Southwest Inc. (ITC-214-20090528-00563); Frontier Communications of the Carolinas LLC (ITC-214-20090528-00564); Frontier Mid-States Inc. (ITC-214-20080219-00081); Citizens Telecommunications Company of California Inc. (ITC-214-20080219-00078); Frontier West Virginia Inc. (ITC-214-20080219-00071); Frontier North Inc. (ITC-214-20080219-00082); Frontier Communications Northwest Inc. (ITC-214-20080219-00079); SNET America, Inc. (ITC-214-19930716-00119, ITC-214-19950215-00064 and ITC-214-19960223-00083).

B. Answer To Question 11 – Section 63.18(h)

Following consummation of the proposed transaction, Newco will be a wholly-owned direct subsidiary of Frontier. The Transferring Companies in turn will be wholly-owned direct subsidiaries of Newco, and wholly-owned indirect subsidiaries of Frontier. Frontier America is, and will continue to be, a wholly-owned direct subsidiary of Frontier. No person or entity holds a direct or indirect 10 percent or greater ownership interest in Frontier.

C. Answer To Question 13 – Narrative Of Transfer Of Control And Public Interest Statement

A description of the transaction and demonstration of how the transaction is in the public interest is attached as Exhibit 1.

D. Answer To Question 20 – Section 63.12

The Applicants do not request streamlined treatment of the Applications because they will be reviewed as part of a larger transaction that is not subject to streamlined treatment.

E. Answer To Question 21 – Section 63.18(n)

Frontier certifies that it has not agreed to accept special concessions directly or indirectly from a foreign carrier with respect to any U.S. international route where the foreign carrier possesses sufficient market power on the foreign end of the route to affect competition adversely in the U.S. market and will not enter into any such agreements in the future.

F. Answer To Question 22 – Section 63.24(e)

The Applicants certify that the authorizations will not be assigned or that control of the authorizations will not be transferred until the consent of the Commission has been given. Frontier also acknowledges that the Commission must be notified by letter within 30 days of a consummation or of a decision not to consummate the transaction.

G. Answer To Question 25 – Section 63.18(o)

The Applicants certify that no party to the Application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862, because of a conviction for possession or distribution of a controlled substance.

II. INFORMATION REQUIRED BY SECTION 63.04 OF THE COMMISSION'S RULES IN RELATION TO TRANSFER OF BLANKET DOMESTIC 214 AUTHORITY

In support of the Applicants' request for consent to partially assign and transfer control of certain assets and customer relationships related to the provision of local exchange, exchange access, and long distance services in California, Florida, and Texas to Frontier, the following information is submitted pursuant to Section 63.04 of the Commission's rules.[8] Specifically, Section 63.04(b) provides that applicants submitting a joint domestic/international Section 214 application should include the information requested in paragraphs (a)(6) through (a)(12) of Section 63.04.

Section 63.04(a)(6) – Description of the transaction:

A description of the transaction and demonstration of how the transaction is in the public interest is attached as Exhibit 1.

Section 63.04(a)(7) – Description of the geographic area in which the transferor and transferee offer domestic telecommunications services, and what services are provided in each area:

A description of the geographic area in which the Transferor and Transferee offer domestic telecommunications services, and a description of the services provided, is contained in Exhibit 1.

[8] 47 C.F.R. § 63.04.

Section 63.04(a)(8) – Statement as to how the Application qualifies for streamlined treatment:

The Applicants do not request streamlined treatment of the Applications because they will be reviewed as part of a larger transaction that is not subject to streamlined treatment.

Section 63.04(a)(9) – Identification of all other Commission applications related to this transaction:

The Commission Applications related to this transaction are identified on page 3 of this narrative.

Section 63.04(a)(10) – Statement of whether the applicants request special consideration because either party is facing imminent business failure:

The Applicants do not request special consideration because no parties to this transaction are facing imminent business failure.

Section 63.04(a)(11) – Identification of any separately filed waiver requests being sought in conjunction with this application:

No separately filed waiver requests are sought in conjunction with this Application.

Section 63.04(a)(12) – Statement showing how grant of the Application will serve the public interest, convenience and necessity:

A demonstration of how the transaction is in the public interest is attached as Exhibit 1.

III. CONCLUSION

For the reasons stated above and in Exhibit 1, the Applicants respectfully request that the Commission grant the Applications.

Respectfully submitted,

By: FRONTIER COMMUNICATIONS CORPORATION

/s/ Kathleen Q. Abernathy
Executive Vice President, External Affairs
Frontier Communications Corporation
2300 N Street, N.W.
Washington, DC 20037

By: VERIZON COMMUNICATIONS INC.

/s/ Kathleen M. Grillo
Senior Vice President, Federal Regulatory and Legal Affairs
Verizon
1300 I Street, N.W., Suite 400 West
Washington, DC 20005

February 24, 2015

EXHIBIT 1 TO APPLICATION

Description of the Parties
Description of the Transaction
Public Interest Statement
Administrative Matters

TABLE OF CONTENTS

I. INTRODUCTION

Frontier Communications Corporation ("Frontier") and Verizon Communications Inc. ("Verizon") (collectively the "Applicants") request Commission consent under Sections 214 and 310 of the Communications Act of 1934, as amended (the "Act"),[1] to the partial assignment and transfer of control of the FCC authorizations and licenses of three wholly-owned subsidiaries of Verizon to Frontier. Specifically, these include the transfer of control of domestic and international Section 214 authorizations and wireless radio licenses held by Verizon California Inc. ("Verizon California"), Verizon Florida LLC ("Verizon Florida"), and GTE Southwest Incorporated d/b/a Verizon Southwest ("Verizon Texas") (collectively, the "Transferring Companies") and the assignment of certain related long distance customer relationships from Verizon Long Distance LLC ("Verizon LD") to Frontier Communications of America, Inc. ("Frontier America").[2]

The proposed transaction between Frontier and Verizon will benefit residential, business, and wholesale customers and is in the public interest. After closing, Frontier intends to bring world-class customer service and service quality, intense local engagement, and a commitment to and focus on expanding access to wireline voice, broadband, and video services to customers in the respective service areas in California, Florida, and Texas, including rural customers in those states. Frontier anticipates that the transaction will achieve substantial efficiencies, promote competition, and benefit customers.

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[1] 47 U.S.C. §§ 214, 310.

[2] The FCC authorizations and licenses involved in this transaction are listed in Attachment A and the associated applications. The requested consent is necessary to effectuate the transfer to Frontier of Verizon's local wireline operations serving residential, commercial, and wholesale customers and certain related long distance customers in California, Florida, and Texas.

Frontier is a wireline communications company that has a proven track record of success serving areas that include rural areas and small and medium sized towns and cities. As a result of the 2010 acquisition of properties from Verizon, Frontier expanded beyond its traditional rural footprint to serve larger cities and suburbs of major metropolitan areas. Frontier further expanded its footprint with its 2014 acquisition of AT&T's incumbent local exchange carrier ("ILEC") operations in Connecticut. Adding the Transferring Companies will allow Frontier to build on its prior successes and become a stronger multistate competitor, serving a broader area than in the twenty-eight states it currently serves and generating substantial public interest benefits for consumers in both its existing territories and those it proposes to acquire from Verizon. Moreover, the transaction will allow Frontier to compete more effectively as a broadband provider by increasing the geographic reach of its current fiber network from 14 percent to about 31 percent of its footprint. Expanded operations in California and Florida, and new operations in Texas will strengthen Frontier's overall economies of scale and scope and enable more efficient operations throughout its service areas, including rural areas.

Frontier also anticipates that the transaction will yield overall greater operational efficiencies once fully implemented. Specifically, Frontier projects approximately $700 million annually in cost savings by the third year after closing, generated primarily from the consolidation of various administrative systems and functions. Frontier anticipates that this stronger financial foundation and increased cash flow will provide the company with increased flexibility in responding to opportunities for new investments and innovative product introductions, with long-term benefits to customers, the company's employees and a robust competitive marketplace.

Moreover, the proposed transaction will not result in any competitive harm and will promote competition in California, Florida, and Texas. The transaction will not reduce the number of competitors in any region because Frontier and the Transferring Companies do not currently compete for customers in any of the affected exchanges. Frontier presently has local exchange operations in California. It has limited local exchange operations in Florida and none in Texas. None of the local exchanges that Frontier is acquiring from Verizon overlap with any of the local exchanges already served by Frontier, and only three small rural exchanges in California are adjacent to Frontier's existing exchanges. Post-transaction, Frontier will continue to face intense competition from other service providers, including wireless, cable, and broadband providers, for both retail and business customers in transferring markets.

Further, this transaction is intended to provide a smooth transition for both retail and wholesale customers. The Transferring Companies will continue to exist as operating entities in California, Florida, and Texas. Immediately following the closing, existing retail and wholesale customers will continue to receive substantially the same services on the same terms and conditions under their existing contracts, price lists, and tariffs. Interconnection agreements and collective bargaining agreements also will not change as a result of the transaction. Where there are shared customer contracts between other Verizon entities and a Transferring Company, Frontier and Verizon have agreed to work in good faith to separate that portion of the shared contract that applies to the Transferring Company. Frontier has also agreed to honor and assume the Transferring Companies' obligations under that portion of the contract.[3] In addition, the

[3] Frontier and Verizon will make similar adjustments to any other affected tariffs as necessary.

Transferring Companies will continue to comply with all of the statutory obligations applicable to ILECs under Sections 251 and 252 of the Act.[4]

Frontier plans to transition the operations of the Transferring Companies to its existing operations support systems ("OSS") and billing systems at closing, negating the need to build new OSS and billing systems from scratch and avoiding a lengthy transition period for consumers. Frontier successfully integrated operations and customers from other acquisitions, including those within fourteen states that were acquired from Verizon in 2010, and the approximately 900,000 customers acquired from AT&T in Connecticut in 2014. In this transaction, the parties have agreed to plan for integration and to test the data transfer process prior to conversion. Frontier plans to build on its experience with integrating Verizon's operations as well as its experience with AT&T in Connecticut to help achieve a smooth transition.

In sum, the proposed transaction will bring significant public interest benefits and will not cause competitive harm. The Commission should therefore expeditiously approve it.

II. DESCRIPTION OF THE PARTIES

A. Frontier

Frontier, a publicly traded corporation, is a full-service wireline communications provider. Frontier provides a wide array of communications and broadband services, including local and long distance voice, broadband data, and video, through its wholly-owned operating companies. Frontier serves approximately four million customers and has 2.3 million broadband

[4] 47 U.S.C. §§ 251, 252.

customers in 28 states,[5] in predominantly rural areas and small and medium sized cities.[6] No individual or company owns or controls ten percent or more of Frontier's stock.

Frontier currently operates two ILECs[7] serving approximately 100,000 access lines in 62 exchanges in California, which are primarily situated in Northern California and the far southeast corner of the state. Frontier's existing local exchange operations in Florida are located in the far western part of the state's Panhandle, and it has a customer contact center in Deland, Florida. Although Frontier does not have local exchange operations in Texas, it has a large administrative facility in Allen, Texas, with more than 800 engineering, IT, marketing, and customer service employees.

Frontier has a proven track record of acquiring, operating, and investing in wireline telecommunications properties. In October 2014, Frontier completed the successful transition and integration of approximately 900,000 customers in connection with the acquisition of AT&T's ILEC operations in Connecticut.[8] Frontier also successfully integrated customers and operations in service areas in fourteen states after the 2010 acquisition of multiple Verizon local

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[5] Frontier's current service territories are located in Alabama, Arizona, California, Connecticut, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Michigan, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Mexico, New York, North Carolina, Ohio, Oregon, Pennsylvania, South Carolina, Tennessee, Utah, Washington, West Virginia, and Wisconsin.

[6] As examples of medium-sized cities, Frontier serves Bridgeport and Hartford, Connecticut; Fort Wayne, Indiana; and Burnsville, Minnesota. Frontier's largest city served is Rochester, New York, and its suburbs.

[7] The two Frontier ILECs operating in California are Citizens Telecommunications Company of California Inc. d/b/a Frontier Communications of California, and Frontier Communications Southwest Inc.

[8] *See Applications Filed by Frontier Communications Corp. and AT&T Inc. for the Assignment or Transfer of Control of the Southern New England Telephone Co. and SNET America, Inc.*, Memorandum Opinion and Order, 29 FCC Rcd 9203 (WCB, IB, WTB 2014) ("*Frontier-AT&T Order*").

exchange territories.[9] Prior to that, Frontier integrated a variety of other operations associated with smaller acquisitions. Indeed, as discussed below, Frontier has extensive experience in converting existing OSS and billing systems to Frontier's platform.

As a longstanding provider of telecommunications and broadband services, Frontier has established relationships with peers, partners, suppliers, regulators, unions, and customers. Frontier's workforce is 100 percent U.S.-based and 13 percent of its workforce is comprised of U.S. veterans and military families, including employees already based in California, Florida, and Texas.[10]

Frontier is committed to delivering innovative and reliable products and solutions with an emphasis on convenience, service, and customer satisfaction. It offers a variety of voice, data, and video products and services, which are available both on a standalone basis and as bundled solutions. Frontier is particularly dedicated to innovation that facilitates expanded deployment and adoption of broadband. It has introduced basic broadband service offerings on attractive terms in its markets, such as its $29.99/month "Simply Broadband" standalone broadband offer, as well as launched new products such as its award-winning Frontier Secure computer security product.[11]

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[9] *See Applications Filed by Frontier Communications Corp. and Verizon Communications Inc. for Assignment or Transfer of Control*, Memorandum Opinion and Order, 25 FCC Rcd 5972 (2010) ("*Frontier-Verizon Order*").

[10] Frontier is consistently recognized as a military-friendly and valued veteran employer. *See, e.g.*, Press Release, *CivilianJobs.com Recognizes Frontier Communications as a 2014 Most Valuable Employer for Military® Winner* (May 8, 2014), *available at* http://investor.frontier.com/releasedetail.cfm?ReleaseID=846591.

[11] *See* Press Release, *Frontier Communications and Wipro's New Wired Prepaid Broadband Model Wins Global Telecoms Business Innovation Award 2014* (June 3, 2014), *available at* http://investor.frontier.com/releasedetail.cfm?ReleaseID=852071; Press Release, *Frontier*

In addition, as noted below, Frontier recently rolled out 1 Gigabit broadband speeds in certain markets. Frontier also offers a wide range of data services, including consumer broadband utilizing fiber-to-the-home and fiber-to-the-node architectures and business Ethernet products. Frontier is experienced in the video marketplace as well, and offers a robust selection of video packages through its FiOS® fiber platform in Indiana, Washington, and Oregon, its U-verse® platform in Connecticut, and by partnering with national video providers such as Dish Network.

Frontier continually evaluates the introduction of new and complementary products and services to best meet the needs of consumers. Frontier focuses on customer growth and improved service. The proposed transaction will enable Frontier to extend and expand access to its innovative products and high quality customer service in California, Florida, and Texas.

B. Verizon

Verizon is a leading provider of wireless, high-speed Internet, local and long distance voice, mobile broadband, and video services. Verizon, a publicly traded corporation, is a holding company that has a number of operating subsidiaries that provide a range of communications services in the United States and throughout the world. The company's operating subsidiaries and affiliates offer broadband, video, and wireless services, as well as local and long distance telephone service. The local wireline operations and long distance customers that are involved in this transaction are served by certain operating telephone companies that are wholly-owned by Verizon.

Communications' Frontier Secure Wins F-Secure Excellence Award (May 13, 2013), *available at* http://investor.frontier.com/releasedetail.cfm?ReleaseID=764237.

The Verizon operations involved in this transaction serve relatively small territories within large states. Verizon has made a strategic decision to sell these three geographically isolated properties and focus on its contiguous wireline footprint in the Mid-Atlantic and Northeast.

Verizon will form a wholly-owned limited liability company ("Newco") in connection with the transaction as described below.

C. Qualifications

The Commission has previously concluded that Frontier has the qualifications required by the Act to control Commission licenses and authorizations, most recently in July 2014.[12] Nothing has changed to alter this conclusion. Similarly, the Commission has concluded that Verizon has the qualifications required by the Act to control Commission authorizations,[13] and nothing has changed to disturb this conclusion.

III. DESCRIPTION OF THE TRANSACTION

On February 5, 2015, Frontier and Verizon entered into a Securities Purchase Agreement (the "Agreement"). Under the Agreement, Verizon will create Newco as a wholly-owned subsidiary of Verizon. Prior to closing, the ownership interests of the Transferring Companies will be moved to Newco so that the Transferring Companies are wholly-owned direct subsidiaries of Newco. Frontier will then purchase all of the ownership interests of Newco. Upon completion of the transaction, Newco will become a wholly-owned direct subsidiary of

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[12] *See Frontier-AT&T Order*, 29 FCC Rcd at 9208-09 ¶¶ 15-19; *see also Frontier-Verizon Order*, 25 FCC Rcd at 5979, 5981-83 ¶¶ 13-14, 21-25.

[13] *See, e.g.*, *Verizon Communications Inc. and MCI, Inc. Applications for Approval of Transfer of Control*, Memorandum Opinion and Order, 20 FCC Rcd 18433, 18525-28 ¶¶ 183-88 (2005); *Applications of GTE Corp. and Bell Atlantic Corp. For Consent to Transfer Control*, Memorandum Opinion and Order, 15 FCC Rcd 14032, 14227-14229 ¶¶ 429-32 (2000).

Frontier and the Transferring Companies will become wholly-owned indirect subsidiaries of Frontier. In addition, certain voice long distance customers of Verizon LD will be assigned to Frontier America. These customers represent primarily originating switched long distance traffic initiating from the local exchanges in California, Florida, and Texas that are a part of this transaction.[14]

The transaction will result in the transfer of ownership of the Transferring Companies and their incumbent local exchange, retail broadband, and video businesses in California, Florida, and Texas, as well as certain related long distance customer relationships in these areas, from Verizon to Frontier.[15] These operations include approximately 3.7 million voice connections, 2.2 million broadband (DSL and FiOS) connections, and 1.2 million FiOS video connections.[16] Frontier's existing executive team will manage and control the day-to-day operations of Frontier and its operating subsidiaries, including the Transferring Companies, as well as Frontier's current businesses.

Corporate organizational charts depicting the proposed transaction are attached as Attachment B.

IV. PUBLIC INTEREST STATEMENT

Under Sections 214(a) and 310(d) of the Act, the Commission must determine whether the proposed partial assignment and transfer of control of Commission licenses and

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[14] The Transferring Companies also may provide some, primarily intraLATA, long distance services.

[15] The Applicants will comply with any applicable anti-slamming requirements in the Commission's rules that arise from the transaction. *See* 47 C.F.R. § 64.1100 *et seq.*

[16] The transaction does not involve any mobile wireless operations, and Verizon Wireless will continue to provide mobile services in California, Florida, and Texas.

authorizations is consistent with the public interest, convenience, and necessity.[17] This transaction will generate substantial public interest benefits in California, Florida, and Texas, and across Frontier's extensive existing service areas, with no countervailing harms. Accordingly, the Commission should promptly approve this application.

The proposed transaction fully satisfies the public interest standard. The Commission considers four questions in making its public interest assessment: "(1) whether the transaction would result in the violation of the Act or any other applicable statutory provision; (2) whether the transaction would result in a violation of Commission rules; (3) whether the transaction would substantially frustrate or impair the Commission's implementation or enforcement of the Act or interfere with the objectives of that and other statutes; and (4) whether the transaction promises to yield affirmative public interest benefits."[18]

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[17] *See, e.g., Frontier-AT&T Order*, 29 FCC Rcd at 9205 ¶ 8; *Frontier-Verizon Order,* 25 FCC Rcd at 5976-77 ¶ 9; *Applications for Consent to the Assignment and/or Transfer of Control of Licenses Time Warner Inc. to Time Warner Cable, Inc.*, Memorandum Opinion and Order, 24 FCC Rcd 879, 884-85 ¶ 10 (2009); *SBC-AT&T Order*, 20 FCC Rcd at 18300-01 ¶ 16; *Verizon Communications Inc. and MCI, Inc. Applications for Approval of Transfer of Control,* Memorandum Opinion and Order, 20 FCC Rcd 18433, 18442-43 ¶ 16 (2005) ("*Verizon-MCI Order*"); *Applications of Nextel Communications, Inc. and Sprint Corp. For Consent to Transfer Control of Licenses and Authorizations,* Memorandum Opinion and Order, 20 FCC Rcd 13967, 13976-77 ¶ 20 (2005) ("*Sprint-Nextel Order*"); *Applications of AT&T Wireless Services, Inc. and Cingular Wireless Corp. For Consent to Transfer Control of Licenses and Authorizations,* Memorandum Opinion and Order, 19 FCC Rcd 21522, 21542-44 ¶ 40 (2004) ("*AT&T-Cingular Order*"); *General Motors Corp. and Hughes Electronics Corp. and The News Corp. Ltd. for Authority to Transfer Control*, Memorandum Opinion and Order, 19 FCC Rcd 473, 483 ¶ 15 (2004).

[18] *SBC Communications Inc. and BellSouth Corp. for Consent to Transfer of Control or Assignment of Licenses and Authorizations,* Memorandum Opinion and Order, 15 FCC Rcd 25459, 25464 ¶ 13 (WTB/IB 2000); *see also Frontier-AT&T Order*, 29 FCC Rcd at 9205 ¶ 8; *Ameritech Corp. and SBC Communications Inc.*, Memorandum Opinion and Order, 14 FCC Rcd 14712, 14737-38 ¶ 48 (1999); *Frontier-Verizon Order,* 25 FCC Rcd at 5976-77 ¶ 9; *Applications filed by Qwest Communications Int'l Inc. and CenturyTel, Inc. d/b/a CenturyLink For Consent to Transfer of Control*, Memorandum Opinion and Order, 26 FCC Rcd 4194, 4198-99, ¶ 7 (2011) ("*Qwest-CenturyLink Order*"); *SBC-AT&T Order,* 20 FCC Rcd at 18300-01 ¶ 16.

The proposed transaction satisfies all four prongs of the Commission's test. The Application and accompanying materials show that this transaction satisfies the first two prongs because it does not violate any provision of the Act or any Commission rule. In assessing the remaining two prongs, the Commission considers whether a proposed transaction could result in public interest harms by determining whether it would substantially frustrate or impair the objectives or implementation of the Act or related statutes.[19] It then "employs a balancing test weighing any potential public interest harms of a proposed transaction against any potential public interest benefits to ensure that, on balance, the proposed transaction will serve the public interest."[20] Here, the proposed transaction does not frustrate or otherwise interfere with the objectives of the Act or other statutes. Instead, it will yield substantial public interest benefits and will not result in any material harms.

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[19] *See, e.g., Frontier-AT&T Order*, 29 FCC Rcd at 9206 ¶ 8; *Qwest-CenturyLink Order*, 26 FCC Rcd at 4198-99 ¶ 7; *Frontier-Verizon Order*, 25 FCC Rcd at 5976-77 ¶ 9; *Applications of Midwest Wireless Holdings, L.L.C. and ALLTEL Communications, Inc. For Consent to Transfer Control of Licenses and Authorizations,* Memorandum Opinion and Order, 21 FCC Rcd 11526, 11535 ¶ 16 (2006) ("*ALLTEL-Midwest Order*"); *SBC-AT&T Order,* 20 FCC Rcd at 18300-01 ¶ 16; *Verizon-MCI Order,* 20 FCC Rcd at 18442-43 ¶ 16; *Sprint-Nextel Order,* 20 FCC Rcd at 13976-77 ¶ 20.

[20] *See ALLTEL-Midwest Order*, 21 FCC Rcd at 11535 ¶ 16; *see also Frontier-AT&T Order*, 29 FCC Rcd at 9206 ¶ 8; *Frontier-Verizon Order,* 25 FCC Rcd at 5976-77 ¶ 9; *Qwest-CenturyLink Order,* 26 FCC Rcd at 4198-99 ¶ 7; *Applications of Nextel Partners, Inc., Nextel WIP Corp. and Sprint Nextel Corp., For Consent To Transfer Control of Licenses and Authorizations,* Memorandum Opinion and Order, 21 FCC Rcd 7358, 7360 ¶ 7 (2006); *SBC-AT&T Order*, 20 FCC Rcd at 18300-01 ¶ 16; *Verizon-MCI Order,* 20 FCC Rcd at 18442-43 ¶ 16; *Sprint-Nextel Order*, 20 FCC Rcd at 13976-77 ¶ 20; *Applications of Western Wireless Corp. and ALLTEL Corp. For Consent to Transfer Control of Licenses and Authorizations,* Memorandum Opinion and Order, 20 FCC Rcd 13053, 13062-63 ¶ 17 (2005); *AT&T- Cingular Order,* 19 FCC Rcd at 21542-44 ¶ 40.

A. The Transaction Will Generate Substantial Public Interest Benefits.

1. The Transaction Will Result In Improved Service To Customers In California, Florida, And Texas.

Frontier's acquisition of these properties will benefit customers. The Commission acknowledged when it approved Frontier's acquisition of AT&T's ILEC business in Connecticut that improved wireline and broadband services were likely to result in public interest benefits as a result of that transaction.[21] This transaction is intended to generate similar substantial benefits.

First, the transaction will bring significant benefits to customers in California, Florida, and Texas as a result of Frontier's focus on wireline investment. As a wireline service provider, Frontier's substantial capital expenditure resources are solely directed to enhancing and extending its wireline capabilities. There is no competition for capital amongst different business segments within Frontier. As in its other states, Frontier plans to prioritize maintaining and improving service quality in California, Florida, and Texas. Frontier is acquiring a network that is the product of substantial capital investments by Verizon. Frontier intends to continue to invest in the network's facilities and operations in order to increase broadband penetration and deliver speed and capacity improvements at reasonable prices to customers in each state, including the rural areas to be acquired. As of December 31, 2014, Frontier continues to improve its broadband investment and services, such that 55 percent of households throughout Frontier's territories were capable of speeds of 20 Mbps or more, 74 percent were capable of

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[21] *Frontier-AT&T Order*, 29 FCC Rcd at 9212-94, ¶¶ 25-27, 29 (stating the likely benefits included improved wireline and broadband services, increased competition, and synergies of approximately $200 million by consolidating operations and increasing economies of scale).

speeds of 12 Mbps or more, and 83 percent were capable of 6 Mbps or more. Frontier also has started rolling out 1 Gigabit speeds in certain markets as it upgrades and enhances its network.[22]

Second, Frontier is committed to bringing its wide range of competitive and popular products and services to residential and commercial customers in California, Florida, and Texas. Throughout its footprint, Frontier sells broadband services at highly competitive prices. In addition, Frontier offers customers standalone and bundled service solutions, such as its Simply Broadband, that enable customers to select from a range of options to best fit their performance requirements and their budget. Frontier also frequently offers promotions, incentives, and new products and services to ensure that it is delivering value to its customers.

Third, the transferred customers will benefit from Frontier's unique local engagement management model, which combines the advantages of service from a large company with the benefits of a local partner and community member. Frontier has long followed this policy of intensive regional and local engagement in its operating territories. For example, Frontier currently maintains the headquarters of its West Region, which includes the states of California, Idaho, Montana, Oregon, and Washington, in Elk Grove, California.

In addition, under Frontier's local engagement management model, Frontier general managers and other employees live locally, provide high-quality service to their friends and neighbors, and are active in their communities. Local general managers provide a local contact for customers and determine where and how to deploy resources during natural disasters, invest

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[22] *See* Press Release, *Frontier Communications Brings 1 Gigabit Broadband Speeds to Oregon – The Ultimate Time Saver for the Connected Home*, Oct. 27, 2014, *available at* http://investor.frontier.com/releasedetail.cfm?ReleaseID=878384. *See also* Press Release, *Frontier Communications Launches 1 Gig in Durham Company Now Provides Speeds up to 50x Faster than Cable*, Oct. 23, 2014, *available at* http://investor.frontier.com/releasedetail.cfm?ReleaseID=878380.

in their communities, and work with community leaders on issues of interest to the local population.

Frontier intends to continue to apply its local engagement model in California, Florida, and Texas. In California and Florida, Frontier will create market areas throughout its expanded footprint that will enable general managers to maintain a close connection with the communities for which they are responsible. As a new provider in Texas, Frontier plans to establish new local general managers and leaders within the state, who will coordinate with the transferring employees already working in the region.

Frontier's commitment to the communities in which it operates goes beyond its management model and the provision of high quality, innovative communications services. Frontier believes strongly in investing in its communities and goes to great strides to help support their well-being and economic growth. For example, in 2014 Frontier launched America's Best Communities, a multi-stage three-year $10 million prize competition to stimulate growth and revitalization in small cities and towns within Frontier's footprint.[23] The contest will reward communities with the best business plans for economic development and improved quality of life, and has already drawn more than 200 participating communities.[24]

Finally, customer service is a core component part of Frontier's business strategy, and Frontier intends to bring this focus on the customer – and its proven track record of success – to

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[23] *See* Press Release, *Frontier Communications, DISH Team Up to Support Revitalization of Small Cities with America's Best Communities Contest*, Sept. 10, 2014, *available at* http://investor.frontier.com/releasedetail.cfm?ReleaseID=870165.http://investor.frontier.com/releasedetail.cfm?ReleaseID=870165. America's Best Communities Contest is co-sponsored by DISH Network Corp. and CoBank.

[24] *See* Press Release, *America's Best Communities Prize Competition Welcomes Vince Gill*, Jan. 16, 2015, *available at* http://investor.frontier.com/releasedetail.cfm?ReleaseID=891759.

the acquired territories in California, Florida, and Texas. Specifically, Frontier expects to leverage its major customer contact centers in Florida and Texas to bring transferring customers the customer service enhancements it has implemented in other markets, like expanded customer service hours, shorter scheduling windows for in-home appointments, and call reminders and follow-up calls for service appointments. Further, Frontier continually explores ways in which it can improve customer satisfaction, such as by providing self-help guides, expanded on-line chat, and implementing more refined customer feedback processes that have yielded improvements in customer care. Frontier plans to focus on customer service and service quality to facilitate a smooth transition for customers in the acquired territories.

2. The Transaction Should Better Position Frontier As A National Competitor And Stronger Service Provider, Which Will Benefit Its Existing And Future Customers.

The proposed transaction will enhance Frontier's ability to serve customers in all twenty-nine states in which it will operate as an ILEC post-closing and will strengthen its presence in competitive markets. Frontier's predominant focus is delivering high quality wireline and broadband services over its own networks in rural America and in smaller and medium sized cities and suburbs. That focus will continue. The urban, suburban, and rural markets covered by the Transferring Companies will complement Frontier's existing diverse mix of markets, and post-transaction the company will continue to be the largest U.S. carrier serving predominantly rural and smaller markets. Frontier is committed to improving the customer experience across all service areas, including rural markets. Customers in Frontier's entire footprint will continue to benefit from Frontier's community-based relationships coupled with the resources it brings as a larger company.

This acquisition will result in a larger and more financially sound carrier, which will position Frontier over the long term to invest on behalf of its customers in the acquired network, provide better service, and become a stronger competitor throughout its service areas. Frontier proposes to acquire high-quality assets with strong revenue and cash flow. Exclusive of certain Verizon allocated overhead costs that will not be transferring to Frontier or will be replaced by Frontier's lower cost structure, the acquired properties will add $2.3 billion in annual EBITDA.[25] As a result, Frontier expects the transaction to be accretive to free cash flow in the first year. Once the transaction closes, Frontier's pro forma net debt-to-EBITDA ratio is expected to be 3.8x, a leverage level that preserves the company's financial flexibility and is not expected to change Frontier's credit ratings profile. Moody's Investors Service ("Moody's") affirmed Frontier's corporate credit rating following the transaction's public announcement.[26] In its Rating Action, Moody's stated that it expects Frontier's cash flow profile to meaningfully improve following this transaction and projects that the cash flow increase will dramatically improve Frontier's financial flexibility to invest in its network. Frontier's total debt to equity ratio for the fourth quarter of 2014 was 2.67.[27] In addition, Wall Street equity analysts have viewed the transaction positively, with analyst Batya Levi of UBS, who has a Buy rating on Frontier's stock, noting that the purchase is attractive for Frontier.[28]

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[25] EBITDA is earnings before interest, taxes, depreciation, and amortization.

[26] *See* Moody's Investors Service, *Moody's affirms Frontier's Ba3 corporate family rating following acquisition announcement* (Feb. 5, 2015), *available at* https://www.moodys.com/research/Moodys-affirms-Frontiers-Ba3-corporate-family-rating-following-acquisition-announcement--PR_317954.

[27] *See* Frontier, *Key Ratios*, *available at* http://investor.frontier.com/financials-keyRatios.cfm (last visited Feb. 23, 2015).

[28] *See* Batya Levi, *Frontier Communications Corp: Buying premium assets at an attractive price* (Feb. 6, 2015), UBS Global Research, *available at* https://neo.ubs.com/r/?id=o62f2f7,22f5fbd,22f6bce&ap_oid=36661005 (explaining that the transaction is expected to improve the revenue/EBITDA trajectory of the business, is 25%+ accretive to 2015 free cash flow per share and lowers the dividend payout ratio below 50%, that the transaction provides upside potential to reduce line losses, and that Frontier will improve

In addition, when the proposed transaction is fully implemented, Frontier expects to realize corporate expense savings. As a result of certain allocated overhead costs not transferring to Frontier, or being replaced by Frontier's cost structure, Frontier expects costs to be reduced by $700 million annually within three years. These cost efficiencies are expected to provide Frontier with increased financial flexibility, which is important in the highly-competitive and fast-changing communications marketplace. The Commission has long recognized that these types of efficiencies are public interest benefits, most recently when Frontier acquired AT&T's ILEC business in Connecticut.[29] Here, these savings are expected to be accomplished by consolidating various administrative and procurement functions, network monitoring and information support systems, and finance and accounting processes, reducing corporate overhead, and increasing the company's overall purchasing power and economies of scale.

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broadband additions, stabilize revenue declines and drive stronger than expected deal synergies). *See also* Larry Darrell, *Frontier Communications Corp Target Price Rises To $9 At UBS On Verizon (VZ) Deal* (Feb. 9, 2015), *available at* http://www.bidnessetc.com/34398-frontier-communications-corp-target-price-rises-to-9-at-ubs-on-verizon-vz-d/ (noting that Paul DeSa of Sanford C. Bernstein & Co. provided a Market Perform rating for Frontier); Sebastian Silva, *Frontier Communications (FTR) Stock Closed Up Today on Verizon Deal, Analyst Price Target Increase*, TheStreet (Feb. 6, 2015), *available at* http://www.thestreet.com/story/13038539/1/frontier-communications-ftr-stock-closed-up-today-on-verizon-deal-analyst-price-target-increase.html.

[29] *See, e.g., Frontier-AT&T Order*, 29 FCC Rcd at 9214 ¶ 28; *Frontier-Verizon Order*, 25 FCC Rcd at 5995 ¶ 57; *AT&T Inc. and BellSouth Corp. Application for Transfer of Control*, Memorandum Opinion and Order, 22 FCC Rcd 5662, 5768-70 ¶¶ 214-215 (2007) (crediting economies of scope and scale and cost synergies as public interest benefits); *Joint Applications of Telephone and Data Systems, Inc. and Chorus Communications, Ltd. For Authority to Transfer Control of Commission Licenses and Authorizations Pursuant to Sections 214 and 310(d) of the Communications Act and Parts 22, 63 and 90 of the Commission's Rules*, Memorandum Opinion and Order, 16 FCC Rcd 15293, 15299 ¶ 11 (CCB/WTB 2001) (citing "economic and operational efficiencies" as supporting a finding that transaction was in the public interest).

Frontier successfully achieved its projected synergies in past transactions. Frontier exceeded the $500 million operating savings planned in its 2010 transaction with Verizon. For its October 2014 purchase of AT&T's ILEC operations in Connecticut, Frontier's annualized cost savings already total $165 million, and Frontier is on track to meet its estimated total operating expense savings of $200 million.[30] The savings will further strengthen Frontier's ability to respond in a competitive market and provide expanded services to its customers.

B. The Transaction Will Promote Competition and Provide for a Smooth Transition for Retail and Wholesale Customers.

In addition to the public interest benefits discussed above, the transaction has the added benefits of promoting competition and is intended to be seamless for the Transferring Companies' customers.

1. The Transaction Will Promote Competition.

None of the local Verizon exchanges being acquired by Frontier in this transaction overlap with any of the local exchanges already served by Frontier, and only three small rural exchanges in California are adjacent to Frontier's current footprint. The Transferring Companies and Frontier do not compete for customers in any affected exchanges in California, Florida, or Texas. Prior to this transaction, Frontier also had no plans for expanding operations into the acquired territories. Thus, the transaction will not result in a reduction in the number of competitors or eliminate the possibility of a future new competitor in these areas.[31]

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[30] *See* Frontier, *Investor Update – Fourth Quarter 2014* at 5 (Feb. 19, 2015), *available at* http://files.shareholder.com/downloads/AMDA-OJWDG/3873273957x0x810519/ef6c1b2a-db76-47bb-a3b8-bfded6d99da2/FTREARNINGS_DECK_4Q14_FINAL_Release_for_Feb_19_2015.pdf.

[31] *Frontier-AT&T Order*, 29 FCC Rcd at 9208 ¶ 14 (concluding that Frontier's acquisition of AT&T's ILEC business in Connecticut "is unlikely to have adverse effects on existing

Frontier already faces competition from a wide variety of service providers, such as cable operators, wireless carriers, long distance carriers, competitive local exchange carriers, satellite video and broadband providers, as well as other wireline carriers. As described above, Frontier continually strives to offer new and innovative services and packages, and will do so in the acquired territories. This in turn will encourage competitors to do the same, strengthening competition. As the Commission has long recognized, competition facilitates improved service, more choices, new products, and lower prices.[32]

Frontier's acquisition of long distance service customers also will not negatively affect competition. The Commission has long acknowledged that competition to offer interexchange services is intense.[33] A wide variety of service providers will continue to provide long distance services in the acquired territories and nationwide after closing, and consumers will continue to have a wide range of competitive choices for long distance service providers.

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competition" because the companies "do not currently compete against each other in the transaction market area [and] the transaction does not reduce the number of service providers").

[32] *See, e.g., Applications for Consent to the Transfer of Control of Licenses and Section 214 Authorizations by Time Warner Inc. and America Online, Inc. to AOL Time Warner, Inc.*, Memorandum Opinion and Order, 18 FCC Rcd 16835, 16839-40 ¶ 12 (2003) ("The Commission has continually recognized competition as an important policy objective for communications services, bringing consumer benefits of increased choice, lower prices, improved service, and new product offerings."); *Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993: Annual Report and Analysis of Competitive Market Conditions With Respect to Commercial Mobile Services*, Eighth Report, 18 FCC Rcd 14783, 14792 ¶ 13 (2003) (enhanced competition benefits consumers by "increasing customer choice, offering innovative services, and introducing new technologies").

[33] *See, e.g., SBC-AT&T Order*, 20 FCC Rcd at 18368-71 ¶¶ 146-152 (noting presence of extensive national networks with excess capacity); *see also id*. at 18342 ¶ 91 (noting "significant evidence in the record that long distance service purchased on a stand-alone basis is becoming a fringe market").

2. The Transaction Will Provide for a Smooth Transition for Retail and Wholesale Customers.

Upon consummation of the transaction, existing retail and wholesale customers will continue to receive substantially the same services with the same prices, terms, and conditions under their existing contracts and tariffs. Indeed, the transaction will be seamless for most customers because the Transferring Companies is intended to continue to operate in their respective territories. In addition, the parties plan to coordinate the transfer and conduct extensive pre-planning and testing to facilitate a smooth transition.

With respect to retail customers, Frontier intends to continue to provide substantially the same telecommunications and information services after closing. Frontier will honor existing tariffs, price lists, and contracts to make the transition virtually seamless for retail customers. Because the Transferring Companies will continue to be operating entities, most contracts and tariffs will not be affected by the transaction. Moreover, Frontier plans to introduce in its new service areas its branded products and services, which, as noted above, are offered at highly competitive prices.

Frontier also intends that wholesale customer arrangements will remain substantially the same as a result of this transaction. The Transferring Companies will remain bound by their existing tariffs and contracts, and existing facilities and arrangements will remain undisturbed. To the extent that a wholesale arrangement involves services both within and outside the acquired territories, or involves Verizon entities in addition to the Transferring Companies, Frontier plans to assume Verizon’s rights and obligations under those arrangements solely as they relate to the acquired territories and the Transferring Companies, and Verizon will retain those rights and obligations that apply outside the acquired territories or the Transferring Companies. In such cases, the division and reallocation will be accomplished after notice to and discussion with the affected parties, and in some cases after amendment to the relevant contracts. Frontier stands ready to retain existing agreements or put in place new agreements on substantially the same terms and conditions, when necessary, so as not to disrupt existing arrangements.[34]

Frontier and Verizon also have in place a plan for the transition of customers, OSS, and billing systems so that neither retail nor wholesale customers will experience service, ordering, or billing disruptions. Post-closing, the operations of the Transferring Companies will be converted to Frontier's existing OSS and billing systems, which will allow Frontier to go to market promptly in the acquired areas. Former Verizon LD customers also will be integrated into Frontier's existing systems. Frontier intends to use its seasoned transition team, which has been facilitating the transaction effort in Connecticut, to provide the administrative and technical resources and experience to undertake the transition smoothly. Its existing billing and operations systems have ample capacity and are scalable so they will be able to accommodate the transferring customers.

Frontier has consistently and smoothly managed numerous complex system and network transitions. Over the past eight years, the company has consolidated eight different billing systems into one, an endeavor that involved approximately seven million access lines. In addition, Frontier already is familiar with the type of systems it proposes to acquire. Frontier successfully transitioned operational systems across fourteen states after its 2010 Verizon transaction approximately one year ahead of schedule. Thirteen of the states involved in the

[34] When another Verizon entity has contracted on behalf of a Transferring Company and in the case of contracts or tariffs that cover other Verizon entities as well as a Transferring Company, Frontier and Verizon have agreed to work in good faith to separate the portion of the shared contract or tariff that applies to the Transferring Company, and Frontier has agreed to honor and assume Verizon's obligations and rights under that portion of the contract or tariff.

2010 Verizon transaction utilized the systems of former GTE properties – similar types of systems involved in the current transaction.[35] Frontier also recently completed the successful switch-over of systems as part of its purchase of AT&T's ILEC operations in Connecticut.

The Transferring Companies will continue to own, control, and/or have access to all assets needed for their voice, broadband, and video businesses,[36] including network facilities, equipment, customers, employees, real estate, and the like. The transaction contemplates a routine division of assets where some of the assets used by other Verizon entities will be retained by Verizon. This division is intended to have no effect on the Transferring Companies' services or business.

Frontier is also acquiring the Transferring Companies' broadband business in California, Florida, and Texas, including the existing FiOS network and operations. Frontier has significant experience with FiOS and currently has FiOS video operations in Washington, Oregon, and Indiana. Frontier will continue to provide video services in affected areas after the completion of this transaction. Frontier already has content programming rights with the most popular national content providers and will negotiate any additional needed content rights before closing and continue to offer customers substantially the same content available today.

For all these reasons, the transaction is manifestly in the public interest. Far from creating any harm, the transition to Frontier will benefit customers.

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[35] Before being owned by Verizon, the Transferring Companies were owned by GTE Corporation ("GTE").

[36] Frontier will contract with Verizon to provide certain video services related to Verizon's retained satellite head end.

V. ADMINISTRATIVE MATTERS

A. Request for Approval of Additional Authorizations

The lists of licenses referenced in Attachment A and in related applications are intended to be complete and to include all of the licenses and authorizations held by the respective licensees that are subject to the transaction. The Transferring Companies, however, may now have on file, and may hereafter file, additional requests for authorizations for new or modified facilities related to the assets to be transferring to Frontier, which may be granted before the Commission takes action on these applications. Accordingly, the Applicants request that any Commission approval of the applications filed for this transaction include authority for Frontier to acquire control of the following:

- Any license or authorization issued to a Transferring Company during the Commission's consideration of the applications and the period required for consummation of the transaction following approval;
- Any construction permits held by a Transferring Company that mature into licenses after closing; and
- Applications that are filed after the date of these applications and that are pending at the time of consummation.

Such authorization would be consistent with Commission precedent.[37] Moreover, the parties request that the Commission's approval of the applications include any facilities or authorizations that may have been inadvertently omitted.

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[37] *See Qwest-CenturyLink Order*, 26 FCC Rcd at 4214-15 ¶ 46; *Frontier-Verizon Order*, 25 FCC Rcd at 5996 ¶ 64; *AT&T-Cingular Order*, 19 FCC Rcd at 21626 ¶ 275; *Application of WorldCom, Inc., and MCI Communications Corp. for Transfer of Control of MCI Communications Corp. to WorldCom, Inc.*, Memorandum Opinion and Order, 13 FCC Rcd 18025, 18153 ¶ 226 (1998); *NYNEX Corp. and Bell Atlantic Corp. for Consent to Transfer Control of NYNEX Corp. and Its Subsidiaries*, Memorandum Opinion and Order, 12 FCC Rcd 19985, 20097 ¶ 247 (1997); *Craig O. McCaw and Am. Tel. and Telegraph Co. for Consent to the Transfer of Control of McCaw Cellular Communications, Inc. and its Subsidiaries*, Memorandum Opinion and Order, 9 FCC Rcd 5836, 5909 ¶ 137 n.300 (1994) ("*McCaw-AT&T Order*").

B. Exemption from Cut-Off Rules

Pursuant to Sections 1.927(h), 1.929(a)(2) and 1.933(b) of the Commission's rules,[38] to the extent necessary,[39] the Applicants request a blanket exemption from any applicable cut-off rules in cases where Frontier files amendments to pending applications to reflect consummation of the proposed transfer of control. This exemption is requested so that amendments to pending applications to report the change in ultimate ownership of these licenses would not be treated as major amendments. The scope of the transaction demonstrates that the ownership change would not be made for the acquisition of any particular pending application, but as part of a larger transaction undertaken for an independent and legitimate business purpose. Grant of such application would be consistent with previous Commission decisions routinely granting a blanket exemption in cases involving similar transactions.[40]

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[38] 47 C.F.R. §§ 1.927(h), 1.929(a)(2), and 1.933(b).

[39] *See Sprint Nextel Corp. and Clearwire Corp. Applications for Consent to Transfer Control of Licenses, Leases, and Authorizations*, Memorandum Opinion and Order, 23 FCC Rcd 17570, 17611 ¶ 105 (2008) ("*Sprint-Clearwire Order*"). With respect to cut-off rules under Sections 1.927(h) and 1.929(a)(2), the Commission has previously found that the public notice announcing the transaction will provide adequate notice to the public with respect to the licenses involved, including for any license modifications pending. In such cases, it determined that a blanket exemption of the cut-off rules was unnecessary. *See Ameritech Corp. and GTE Consumer Services Inc. for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 15 FCC Rcd 6667, 6668 ¶ 2 n.6 (WTB 1999); *Comcast Cellular Holdings, Co. and SBC Communications, Inc. for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 14 FCC Rcd 10604, 10605 ¶ 2 n.3 (WTB 1999).

[40] *See, e.g., Sprint-Clearwire Order*, 23 FCC Rcd at 17611 ¶105; *AT&T-Cingular Order*, 19 FCC Rcd at 21626 ¶ 275; *PacifiCorp Holdings, Inc. and Century Tel. Enterprises, Inc. for Consent to Transfer Control of Pacific Telecom, Inc., a Subsidiary of PacifiCorp Holdings, Inc.*, Memorandum Opinion and Order, 13 FCC Rcd 8891, 8915-16 ¶ 47 (WTB 1997); *McCaw-AT&T Order*, 9 FCC Rcd 5909 ¶ 137 n.300.

C. Trafficking

To the extent authorizations for unconstructed systems are covered by this transaction, these authorizations are merely incidental, with no separate payment being made for any individual authorization or facility. Accordingly, this transaction raises no trafficking issues, and there is no reason to review the transaction for trafficking.

D. Ex Parte Status

The Applicants request that the Commission treat this proceeding as permit-but-disclose pursuant to Section 1.1206 of the Commission's rules.[41] The public interest in expeditiously considering these applications would be served by the flexibility permitted by permit-but-disclose procedures.[42]

E. Other Filings

In connection with this transaction, the parties are making filings or notifications with the Federal Trade Commission and U.S. Department Justice pursuant to the Hart-Scott-Rodino Antitrust Improvements Act, the California Public Utilities Commission, the Florida Public Service Commission, and the Public Utility Commission of Texas, and with local franchising authorities as may be required.

VI. CONCLUSION

For the reasons above, the Applicants respectfully submit that the grant of this application will serve the public interest, convenience, and necessity, and thus warrants favorable Commission action.

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[41] *See* 47 C.F.R. § 1.1206.

[42] Pursuant to Section 1.1200(a) of the Commission’s rules, the Commission may adopt modified ex parte procedures in particular proceedings if the public interest so requires. *See* 47 C.F.R. § 1.1200(a).

Attachment A

LIST OF FCC AUTHORIZATIONS AND LICENSES BEING ASSIGNED OR TRANSFERRED

PARTIAL ASSIGNMENTS

- Partial assignment of Blanket Domestic Section 214 Authority of Verizon Long Distance LLC ("Verizon LD") to Frontier Communications of America, Inc. ("Frontier America") as it relates to certain long distance customers in California, Florida, and Texas.

- Partial assignment of International Domestic Section 214 Authority of Verizon LD to Frontier America as it relates to certain long distance customers in California, Florida, and Texas.[1]

TRANSFERS OF CONTROL

Verizon Florida LLC

  - Blanket Domestic Section 214 Authority

  - International Section 214 Authorization – ITC-214-20080219-00064

- Wireless Licenses

Call Sign	Radio Service*
KIY21	CF
WBB287	CF
WQIX281	IG

[1] Because only certain customer relationships of Verizon LD are being assigned through this transaction, the Applicants seek only a partial assignment of Section 214 authority. Verizon LD will retain its respective international Section 214 authorizations after closing and does not seek to assign them here. Post-closing, Frontier America will serve the assigned customers pursuant to its existing international Section 214 authorization.

GTE Southwest Inc. d/b/a Verizon Southwest

- Blanket Domestic Section 214 Authority
- International Section 214 Authorization – ITC-214-20080219-00077
- Wireless Licenses

Call Sign	Radio Service*
KG4012	IG
KL5642	IG
KL8986	IG
KQ2685	IG
WPES619	IG
WQEU798	IG
KK7264	CF
KYJ33	CF
WLC344	CF
WLC345	CF
WNXK223	GU

Verizon California Inc.

- Blanket Domestic Section 214 Authority
- International Section 214 Authorization – ITC-214-20080219-00063
- Wireless Licenses

Call Sign	Radio Service*
KF5881	IG
KLL332	IG
KX5844	IG
WNXS922	IG
WPHF956	IG
WPTW574	IG
KGD53	CF
KGF71	CF
KGF91	CF

Call Sign	Radio Service*
KMJ37	CF
KMQ42	CF
KMQ70	CF
KMQ71	CF
KMQ72	CF
KMQ73	CF
KMQ74	CF
KMQ75	CF
KMQ76	CF

Call Sign	Radio Service*
KMU45	CF
KMU46	CF
KMW61	CF
KMZ75	CF
KMZ76	CF
KNB39	CF
KNB40	CF
KNB41	CF
KNB42	CF

Call Sign	Radio Service*
KNB44	CF
KNE68	CF
KNE71	CF
KNE72	CF
KNJ88	CF
KNL62	CF
KNL63	CF
KNL64	CF
KNL67	CF
KNL68	CF
KNL83	CF
KNL84	CF
KNL85	CF
KNL86	CF
KNL87	CF
KNL88	CF
KNM34	CF
KNM36	CF
KNM62	CF
KNZ40	CF
KNZ41	CF
KNZ59	CF
KOA89	CF
KSV97	CF
KSV98	CF
KTQ44	CF
KVI36	CF
KVI37	CF
KXQ74	CF
KXQ76	CF
KXQ78	CF

Call Sign	Radio Service*
KZA84	CF
WAN95	CF
WAX78	CF
WFY457	CF
WFY458	CF
WGE98	CF
WHQ877	CF
WHQ878	CF
WHS993	CF
WHS994	CF
WHS995	CF
WHS996	CF
WHT428	CF
WLL825	CF
WLL826	CF
WLN427	CF
WLN428	CF
WLU422	CF
WLV271	CF
WMI260	CF
WMI261	CF
WMJ547	CF
WMJ785	CF
WML810	CF
WML811	CF
WMQ314	CF
WMS286	CF
WMS287	CF
WPJA604	CF
WPY20	CF
WQBN668	CF

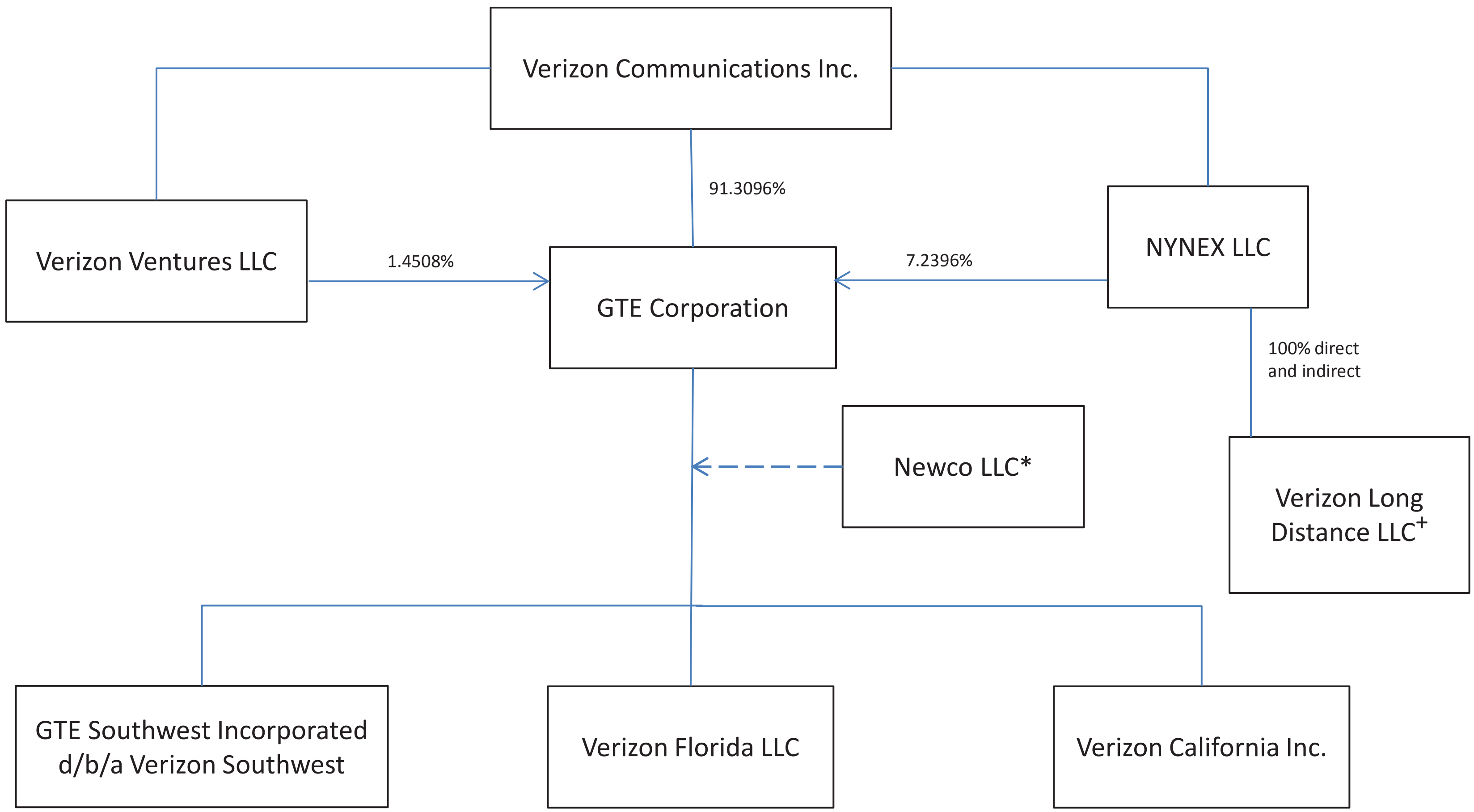
Call Sign	Radio Service*
WQDI568	CF
WQLB666	CF
WQLB668	CF
WQNE586	CF
WQNE587	CF
WQOV404	CF
WQOV405	CF
WQP77	CF
WQRD452	CF
WQUP477	CF
WNEU452	MG
WNEU453	MG
WNEU584	MG
KS5099	CT
KNKJ922	CR
KNKK596	CR
KNKK723	CR
KNKL487	CR
KNKL488	CR
KNKL588	CR
KNKL722	CR
KNKP209	CR
KNL47	CR
WBO66	CR
WDD36	CR
WDW513	CR
WDW534	CR
WDW535	CR
WDZ898	CR
WJM99	CR
WSM51	CR

* IG – Industrial/Business Pool, Conventional; CF – Common Carrier Fixed Point to Point Microwave; MG – Microwave Industrial/Business Pool; CT – Local Television Transmission; CR – Rural Radiotelephone; GU – Business, 896-901/935-940 MHz, Conventional.

Attachment B

Current and Post-Closing Ownership Structure

Current Ownership Structure

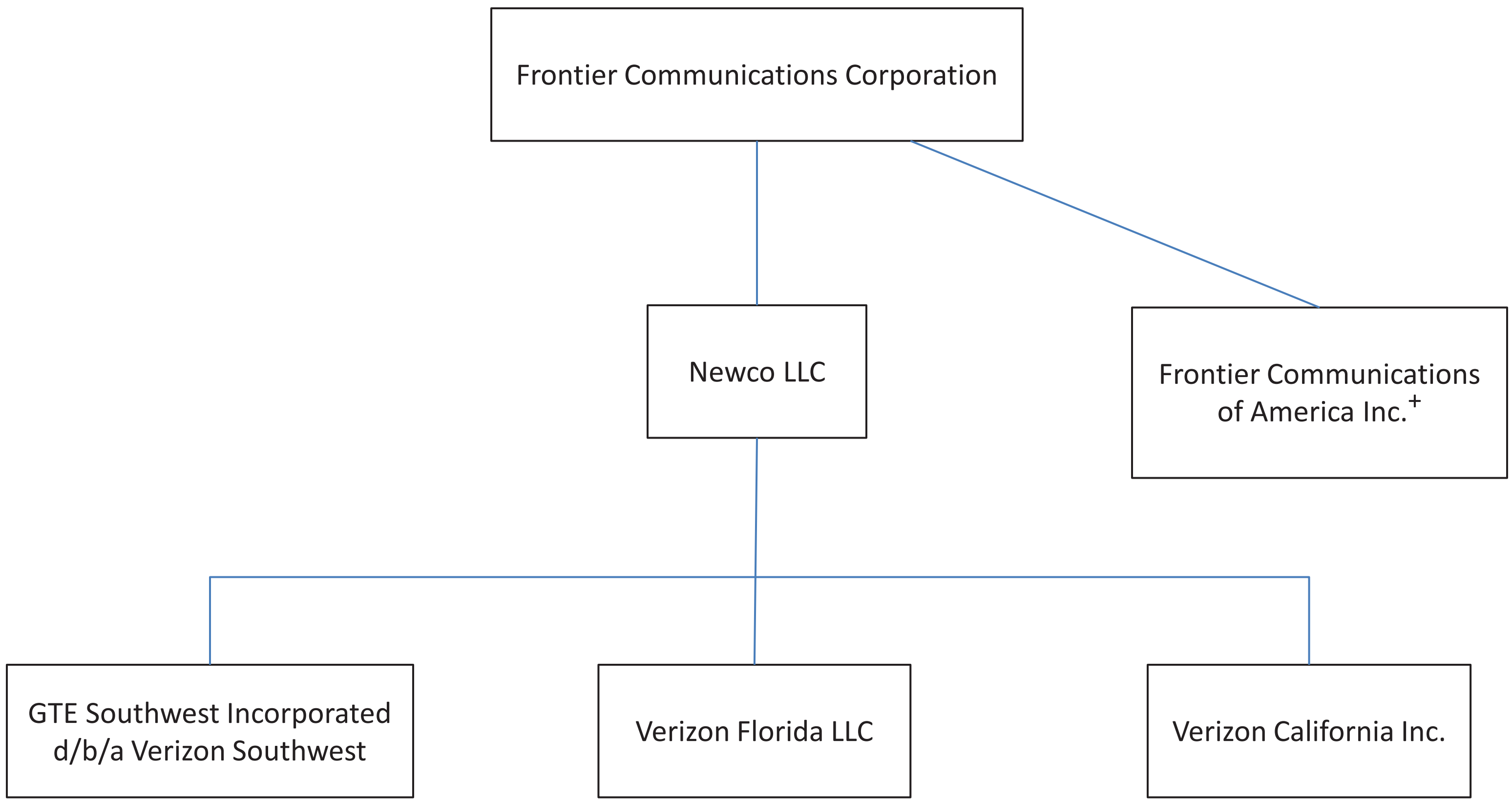


All interests are direct 100% interests unless otherwise indicated

* To be inserted into ownership chain prior to closing.

\+ Only assigning certain long distance customer relationships.

Post-Closing Ownership Structure



All interests are direct 100% interests unless otherwise indicated

+ Will receive assigned long distance customer relationships from Verizon Long Distance LLC (ownership unchanged pre- and post-closing).