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FCC Mail Room

Congress of the United States
House of Representatives
Washington, DC 20515-0536

December 3, 2015

1201

The Honorable Tom Wheeler
Chairman
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Dear Chairman Wheeler:

On September 2, 2015, the Federal Communication Commission ("FCC") approved Frontier Communications' purchase of Verizon's wireline networks in California, Texas, and Florida, noting that certain state public utility commissions were also reviewing the proposed transfer. This transfer is especially significant as Frontier will become the second largest provider of voice and broadband services in California, serving millions of Californians, including my constituents in California's 36th Congressional District. This merger has the potential to significantly improve access to broadband services in my district, and I look forward to working with Frontier Communications to ensure they develop their infrastructure quickly and fairly.

Historically, broadband Internet services have not been deployed evenly throughout my district. Frontier's service area will include densely populated suburban communities such as Palm Desert, as well as rural areas including Coachella. Currently, there are troubling instances in which affluent communities enjoy good (though not universal) availability to broadband, while adjacent tribal and more rural or underserved areas have nothing but dial-up Internet access. There are also examples where deployment of broadband in urban low income and minority neighborhoods continues to lag behind.

If the transfer of Verizon's network is approved, I understand that Frontier will rely on Connect America Funds ("CAF"), administered by the FCC, as well as corresponding state funds such as the California Advanced Services Fund ("CASF") to expand and improve access to broadband Internet across these new service areas. Verizon has accepted approximately \$192 million in CAF funds to be dispersed over the next six years on behalf of Frontier. Given Verizon's long-term commitment to provide CAF funding to Frontier, I trust the FCC will also continue to ensure that Frontier operates in the public's interest.

I have invited the CEO of Frontier, Melinda White, to tour my Congressional district and see firsthand the disparities that exist among communities just ten minutes away from each other. I look forward to working with the company to establish a robust, verifiable action plan to address the needs of the racially and economically diverse population of California. This plan must

include concrete steps to ensure diversity in their hiring practices, utilize contractors that reflect the diversity of their new service area, and include Latino-owned media outlets in their content delivery. Frontier's progress on this plan must be accountable through periodic progress reports and benchmark goals, and I urge the FCC to consider these points in its oversight role.

The FCC can—and should—require Frontier to address such public needs; it would be an impressive demonstration that Frontier understands the new market it seeks to serve, and it is committed to serving that market well, if Frontier voluntarily committed to take concrete steps to close the Digital Divide among underserved communities. I will support their efforts to accomplish this fundamental goal and I hope we can continue to work together cooperatively to serve the people of California's 36th Congressional District.

Sincerely,

A handwritten signature in black ink, appearing to read "Raul Ruiz", written in a cursive style.

Raul Ruiz, M.D.
Member of Congress (CA-36)



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

March 14, 2016

The Honorable Raul Ruiz
U.S. House of Representatives
1319 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Ruiz:

Thank you for your letter regarding the Commission's recent approval of the transaction between Frontier Communications Corporation (Frontier) and Verizon Communications Inc. (Verizon). Your views are very important and will be included in the record of the proceeding.

I completely agree with your sentiments regarding the importance of ensuring that all Americans have access to affordable, high-speed broadband. Therefore, let me assure that you that, as required by our rules and regulations, Commission staff conducted a thorough, open and transparent review of the proposed transaction between Frontier and Verizon. At the conclusion of this review, the Commission's Wireline Competition Bureau, International Bureau, and Wireless Telecommunications Bureau adopted a *Memorandum Opinion and Order* (Order) finding that the transaction, on balance, serves the public interest and consenting to the transaction.

In reaching this conclusion, the Order relied upon several commitments by Frontier relating to the provision of broadband services in rural or underserved areas. First, Frontier affirmed its plans to use public funding, including Connect America Fund (CAF) Phase II support, to complete a broadband build-out in high cost areas post-transaction. Our CAF rules require recipients to build out to households at minimum speeds of 10 Mbps download/1 Mbps upload. Frontier stated that it will meet this speed obligation while expanding fiber-based infrastructure within its network and improving the network for voice services. In addition, Frontier committed to combine these public funds with private investment to enable it to deliver, by the end of 2020, broadband to an additional 750,000 households at speeds of 25 Mbps/2-3Mbps across its entire footprint, including in the transaction areas in California, as well as Florida, and Texas. Overall, Frontier stated that the transaction will "increase the geographic reach of its current fiber network from 14 percent to 31 percent of its footprint."

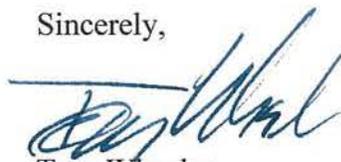
In addition, please rest assured that Frontier will be subject to the same CAF Phase II public interest obligations that applied to Verizon. These obligations ensure that Frontier operates in the public interest in its utilization of its CAF Phase II support. For example, all CAF Phase II support recipients, including Frontier, must build to 40 percent of its required locations by the end of 2017 and increase its build out by 20 percent each year until 2020, when all locations must be served. In addition, all support recipients are required, on an annual basis beginning in 2016, to report to the Commission on their progress in meeting their broadband deployment obligations. These mechanisms ensure that carriers like Frontier use the funds for

their intended purpose, that buildout-out requirements are being met, and that locations reported as newly served are actually receiving service that meets the CAF Phase II standards.

Finally, as your letter references, in addition to our review, the State of California also conducted a review to ensure that the transaction is in the public interest. Our review of applications filed with the Commission does not impact a state's independent proceeding on the proposed transaction. The California Public Utilities Commission voted to approve the transaction on December 3, 2015.

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

Sincerely,



Tom Wheeler