

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

**APPLICATIONS FILED BY FRONTIER )  
COMMUNICATIONS CORPORATION )  
AND VERIZON COMMUNICATIONS )  
INC. FOR ASSISGNMENT OR )  
TRANSFER OF CONTROL )**

**WC DOCKET NO. 09-95**

**COMMENTS OF THE  
INDEPENDENT TELEPHONE & TELECOMMUNICATIONS ALLIANCE**

To the Commission:

The Independent Telephone & Telecommunications Alliance (ITTA) hereby submits comments in the above-captioned proceeding. ITTA is an alliance of mid-size telephone companies that collectively serve approximately 30 million access lines in 44 states, and which offer subscribers a broad range of high-quality wireline and wireless voice, data, Internet, and video services. ITTA supports the transaction and urges the Commission to approve the requested assignments and transfers of control from Verizon Communications, Inc. (Verizon) to Frontier Communications (Frontier) without conditions. As the Commission has observed, transactions in which smaller carriers “that specialize in providing service in rural areas” acquire rural exchanges from larger

incumbent carriers generally “d[o] not raise public interest issues” and “are unlikely to raise the potential of competitive harm.”<sup>1</sup>

ITTA members serve predominantly rural and suburban areas, frequently facing competition that is strongest in the “town centers,” where relative population densities are higher, while remaining the carrier of last resort (COLR) in the outlying areas, where lower population densities yield increased costs of providing service. In these circumstances, a survey of ITTA members reveals average broadband deployment of more than 85 percent in members’ respective service areas;<sup>2</sup> Frontier, in fact, offers broadband to 92 percent of its customers.<sup>3</sup> ITTA members, like Frontier, are familiar with the challenges that are unique to serving rural America, and are skilled at leveraging technology in order to bring increasing levels of service to their end-users. The proposed acquisition will bring nearly 5 million lines in predominantly rural areas under the expertise of Frontier, a carrier that focuses nearly exclusively on providing services in rural areas of the Nation. The public interest will be served by approval of the

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<sup>1</sup> See, *Applications for Transfer of Certain Spectrum Licenses and Section 214 Authorizations in the States of Maine, New Hampshire, and Vermont from Verizon Communications, Inc. to FairPoint Communications, Inc.: Memorandum Opinion and Order*, 23 FCC Rcd 514, at para. 16 (2008); *Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations: Report and Order*, 17 FCC Rcd 5517, at para. 33 (2002).

<sup>2</sup> A survey of ITTA members drew sample data representing approximately 12 million access lines served by mid-size carriers.

<sup>3</sup> *Application of Contel of the South, Inc. d/b/a Verizon Mid-States, Verizon Communications Inc., and Frontier Communications Corporation for Consent to Transfer Control of Domestic Section 214 Authority: Application, Exhibit 1, “Description of Transaction and Public Interest Statement,”* WC Docket No. 09-95, at 2 (filed May 28, 2009) (Public Interest Statement).

transaction that will enable Frontier to apply its expertise across an expanded scope of rural America.

Trends over the past decade have fostered acquisitions and mergers among telecommunications companies. In these instances, the companies determined that these transactions would result in economic efficiencies and valuable benefits that would otherwise not be realized. The occurrence of realignments in the industry, whether the merger of large RBOCs,<sup>4</sup> mid-size or smaller carriers,<sup>5</sup> wireless carriers,<sup>6</sup> or the

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<sup>4</sup> See, e.g., *SBC Communications, Inc. and AT&T Corp. Applications for Approval of Transfer of Control: Memorandum Opinion and Order*, WC Docket No. 05-65, FCC 05-183 (2005); *Verizon Communications Inc. and MCI, Inc. Applications for Approval of Transfer of Control: Memorandum Opinion and Order*, WC Docket No. 05-75, FCC 05-184 (2005); *AT&T Inc. and BellSouth Corporation Application for Transfer of Control: Memorandum Opinion and Order*, WC Docket No. 06-74, FCC 06-189 (AT&T/BellSouth) (2006).

<sup>5</sup> See, e.g., *Joint Applications of Global Crossing Ltd. and Citizens Communications Company for Authority to Transfer Control of Corporations Holding Commission Licenses and Authorizations Pursuant to Sections 214 and 310(d) of the Communications Act and Parts 20, 22, 63, 78, 90, and 101 of the Commission's Rules: Memorandum Opinion and Order*, File Nos. ITC-T/C-20000828-00530, CCB Pol. No. 00-1, 20001005 AD-09, 0000209675, et al., DA 01-961 (2001) (Citizens/Frontier); *Joint Application 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*, CC Docket No. 01-73, ITC-T/C-20010307-00128, ITC-T/C-20010307-00129, ULS File Nos. 0000352422, 0000352426, et al., DA 01-1914 (2001) (TDS/Chorus).

<sup>6</sup> See, e.g., *Applications of Nextel Communications, Inc. and Sprint Corporation for Consent to Transfer Control of Licenses and Authorizations: Memorandum Opinion and Order*, WT Docket No. 05-63, File Nos. 0002031766, et al. (2005), *Order on Reconsideration*, FCC 06-116 (2006); *Applications of Western Wireless Corporation and ALLTEL Corporation for Consent to Transfer Control of Licenses and Authorizations: Memorandum Opinion and Order*, WT Docket No. 05-50, File Nos. 0002016488, et al. (2005).

acquisition of small carriers by a single entity,<sup>7</sup> is evidence of carriers' interest in strengthening their portfolios and focus on their ability to serve end-users. Against this backdrop, the Commission should approve the Application on a streamlined basis and without conditions.

Frontier has previously acquired and improved rural lines, including those formerly operated by Commonwealth Telephone, GTE, and Rochester Telephone. Those transactions have resulted in Frontier's current presence in 24 states, serving approximately 2.3 million end-users. Frontier's aforementioned achievement of 92 percent broadband availability in its service areas, achieved over time and within a climate favorable to such efforts, demonstrates the company's understanding and effective management of rural markets and assets. Frontier's experience is consistent with other mid-size carriers, as well: ITTA member companies have participated in a number of transactions very similar to the one proposed in the instant proceeding. For example, affiliates of CenturyLink, Inc. f/k/a CenturyTel, have acquired lines from Verizon or GTE in Arkansas, Missouri, and Alabama, and from Ameritech in Wisconsin; CenturyTel's predecessor-in-interest PTI acquired lines from US West in Colorado,<sup>8</sup> and

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<sup>7</sup> Public Notice: "Notice of Streamlined Domestic 214 Applications Granted," WC Docket Nos. 06-4, 06-13, DA 06-380 (Feb. 17, 2006).

<sup>8</sup> E.g., ALLTEL Corporation, Petition for Waiver of Section 61.41 of the Commission's Rules; CenturyTel, Inc. and CenturyTel of Alabama, LLC Petition for Waiver of Sections 61.41(b) and (c) of the Commission's Rules; CenturyTel, Inc. and CenturyTel of Missouri, LLC Petition for Waiver of Sections 61.41(b) and (c) of the Commission's Rules; Puerto Rico Telephone Company Petition for Waiver of Section 61.41 of the Commission's Rules or, in the Alternative, Request for Waiver of Section 54.303(a) of the Commission's Rules, Memorandum Opinion and Order, 17 FCC Red 27694 (2002) (granting, inter alia, price cap waivers related to CenturyTel affiliates' acquisitions of all of Verizon's lines in Alabama and Missouri); CenturyTel of Northwest Arkansas, LLC, CenturyTel of Central Arkansas, LLC, and GTE Arkansas et al., Joint Petition for Waiver

another predecessor-in-interest, MebTel, Inc., acquired lines in North Carolina from AT&T's predecessor in interest BellSouth Communications.<sup>9</sup> Similarly, Iowa Telecom acquired the former GTE lines in Iowa.<sup>10</sup> These are companies whose improvements and commitment to delivering to consumers the newest standards in communications is

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of the Definition of "Study Area" Contained in Part 36, Appendix-Glossary of the Commission's Rules; CenturyTel of Northwest Arkansas, LLC and CenturyTel of Central Arkansas, LLC Petition for Waiver of Sections 61.41(c) and 69.3(g) of the Commission's Rules, Memorandum Opinion and Order, 15 FCC Rcd 25437 (2000) (granting study area, price cap and pooling waivers related to the acquisition of GTE lines in Arkansas by CenturyTel subsidiaries); CenturyTel Central Wisconsin LLC and GTE North Inc. Joint Petition for Waiver of the Definition of "Study Area" Contained in Part 36, Appendix-Glossary of the Commission's Rules; CenturyTel Central Wisconsin LLC Petition for Waiver of Sections 61.41(c) and 69.3(g)(2) of the Commission's Rules, Order, 15 FCC Rcd 15043 (2000) (granting study area, price cap and pooling waivers related to the acquisition of GTE lines in Wisconsin by a CenturyTel affiliate); Kendall Telephone Inc., Application for Authority to Acquire and Provide Service over 19 Local Exchanges in Northern and Central Wisconsin Pursuant to 47 U.S.C. § 214(a); Ameritech Wisconsin (Wisconsin Bell), Application for Authority to Discontinue Service in 19 Local Exchanges in Northern and Central Wisconsin Pursuant to 47 U.S.C. § 214(a); Kendall Telephone, Inc., Request to Associate with LATAs, Order and Certificate, 13 FCC Rcd 21604 (1998) (granting approval of acquisition of Ameritech Wisconsin lines by a CenturyTel subsidiary). *See, also*, US West Communications, Inc. and Eagle Telecommunications, Inc., Joint Petition for Waiver of the Definition of "Study Area" Contained in Part 36, Appendix Glossary of the Commission's Rules, and Eagle Telecommunications, Inc. Petition for Waiver of Section 61.41(c) of the Commission's Rules, Memorandum Opinion and Order, 10 FCC Rcd 1771 (1995) (granting study area and price cap waivers relating to the acquisition of U S West lines in Colorado by a subsidiary of PTI subsequently acquired by CenturyTel).

<sup>9</sup> See, "Non-Streamlined Domestic Section 214 Application Granted," Public Notice DA 05-1086, WC Docket No. 05-51 (Domestic 214 Application Filed for Transfer of Control of BellSouth's Milton and Gatewood Exchanges to Madison River Telephone Company, LLC) (Apr. 14, 2005).

<sup>10</sup> See Petition for Forbearance of Iowa Telecommunications Services, Inc. d/b/a/ Iowa Telecom Pursuant to 47 U.S.C. §160(c) from the Deadline for Price Cap Carriers to Elect Interstate Access Rates Based on the CALLS Order or a Forward Looking Cost Study, 17 FCC Rcd 24319, para. 4 (2002) ("Iowa Telecom was formed in 1999 through the purchase of GTE's exchanges in the state of Iowa, and started operations on July 1, 2000.").

reflected by the high levels of broadband deployment in ITTA member service areas. The Commission readily approved each of the aforementioned transactions, without significant conditions, and should do the same with regard to the instant application.

The Commission should not take any actions that could discourage similar future transactions, a result that would occur if the Commission imposes conditions that are not transaction-specific or when there is no demonstrable harm. Mid-size carriers have a strong track record of customer service and investing in rural markets. These include expansive capital improvements that include, *inter alia*, fiber networks that are broadband enabled and offer full-fledged IP video, as well as innovative leveraging of existing networks to offer ever-expanding capabilities. ITTA members remain committed to delivering quality advanced communications services to their users, and ITTA supports Commission action that enables industry participants to develop market opportunities that facilitate improved company and, ultimately, end-user experiences.

In the instant application, the parties have determined the parameters of a transaction will serve each company and, by extension, their end-users. As noted in the Public Interest statement, broadband deployment among Verizon lines in the areas to be transferred stands at about 60 percent, while Frontier has made broadband available in approximately 92 percent of its territory.<sup>11</sup> The Commission's approval of the transaction, without conditions, should facilitate and speed realization of policymakers' desire to promote further broadband deployment by enabling Frontier to bring greater broadband deployment over time to unserved Verizon areas. These actions are consistent with the consensus among legislators, regulators, and the public that broadband will play

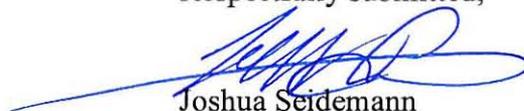
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<sup>11</sup> Public Interest Statement at 2.

a vital role in the future communications, economic, education, and health-related concerns of the Nation. Moreover, approval of this transaction without conditions will encourage other entities to identify opportunities to create efficiencies and synergies through similar transactions. By contrast, onerous conditions will likely discourage opportunities such as this, thereby preempting opportunities for network and end-user benefits in many rural areas of the Nation.

ITTA urges the Commission to approve the transaction on a streamlined basis without delay. Doing so will affirm the Commission's interest in enabling the market to guide itself toward greater end-user benefits and broadband deployment.

Respectfully submitted,



Joshua Seidemann  
Vice President, Regulatory Affairs  
Independent Telephone & Telecommunications Alliance  
1101 Vermont Avenue, NW, Suite 501  
Washington, DC, 20005  
202-898-1520  
[www.itta.us](http://www.itta.us)

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