



October 13, 2009

EX PARTE

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Portals II, Room TW-A325
Washington, DC 20554

RE: *Applications Filed By Frontier Communications Corporation and Verizon Communications Inc. For Assignment or Transfer of Control, WC Docket No. 09-95*

Dear Ms. Dortch:

The United States Telecom Association electronically filed the attached letter with the FCC today. In accordance with FCC Rule 1.206(b)(1),¹ please include this notice and the attached letter for inclusion in the public record. Please feel free to contact the undersigned with any questions.

Sincerely,

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

David Cohen

¹ 47 C.F.R. § 1.1206(b)(1)



WALTER B. MCCORMICK, JR.
President and Chief Executive Officer

October 13, 2009

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street, SW, Room TWA325
Washington, D.C. 20554

Re: Applications filed by Frontier Communications Corporation and Verizon
Communications Inc. for Assignment or Transfer of Control, WC Docket No. 09-95

Dear Ms. Dortch:

On behalf of USTelecom, I write to urge the Commission to act on the license transfers associated with the Frontier-Verizon transaction in a timely manner and to avoid protracted proceedings or imposition of conditions that are sought to achieve objectives unrelated to competitive harms. Rapid technological change in the telecommunications industry has unleashed powerful, positive, pro-consumer forces which necessitate the rationalization and restructuring of businesses. Public policy-makers should not delay or discourage such rationalization and therefore should allow those seeking to restructure their businesses in ways that will better serve consumers the opportunity to do so.

A key component of the profoundly changing communications industry is the growing importance of broadband. The Commission's focus on the development of the National Broadband Plan and the numerous impacts of such a plan on various sectors of the industry and on the economy as a whole, emphasizes the importance of broadband to the future of telecommunications and to our nation. Providers are implementing new technologies and services in their networks, and are seeking to make conforming changes to implement new marketing and operational strategies and make their companies more effective competitors in the rapidly evolving marketplace.

To address this changing nature of the business, communications companies have employed a variety of strategies, ranging from divestiture of wireline assets to focus on wireless service; or a focus on rural wireline consumers; geographic clustering of assets in the cable industry to compete most efficiently; or combining wireless and wireline assets in order to offer consumers new video, voice and data services over an integrated network. Each of those strategies (or a combination of them) is an appropriate response by an individual company to optimizing its ability to provide the optimal level of service at a competitive price and therefore most effectively maximizing its ability to compete for customers and revenues.

The transfer to Frontier of the Verizon local exchange assets in Arizona, Idaho, Illinois, Indiana, Michigan, Nevada, North Carolina, Ohio, Oregon, South Carolina, Washington, West Virginia, and Wisconsin, and a portion of Verizon's local exchange networks in California exemplifies the strategy of focusing on the needs of wireline consumers who live in rural areas and suburban and

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exurban markets. Like other efforts by companies to adapt to the changes in the marketplace, this transaction should serve to increase broadband penetration in rural locations and small cities, and will enhance investment in broadband infrastructure.

Frontier has significant expertise in serving customers in these markets in the twenty-four states in which it currently does business. Frontier has a strong track record of deploying broadband in its primarily rural service areas – which are even more rural than the areas to be acquired from Verizon. By the end of 2008, Frontier had already made broadband connections available to 92% of its customers. On the other hand, the Verizon areas involved in the transaction have only 60% broadband availability. Frontier has stated that its business strategy for retaining wireline customers depends on significantly increasing the level of broadband availability in the acquired areas and that the transaction will enhance its ability to do so. At a time when the federal government is investing billions of dollars of federal funds to increase access to broadband, it makes great sense to quickly act on a transaction that appears likely to increase broadband availability.

In recent years, Frontier has invested substantially and repeatedly in its broadband infrastructure and enhanced broadband penetration. The transaction with Verizon can only further Frontier's investment in broadband, which stimulates growth and economic development, particularly in the hard-hit rural areas which Frontier will add to its service area. Given today's economy, such opportunities to stimulate economic activity and job creation are welcome and necessary.

Frontier already has a relatively large network and the associated management structure and expertise which appear to provide more than sufficient physical and human assets to provide high-quality services, including broadband services, to consumers for the lines being transferred to Frontier, complementing the exceptional level of service delivery in its current territory. Frontier's interest in these properties is evidence that the market for these assets is working in a way that is pro-consumer, with facilities moving to companies that, given their strategic focus, value them most highly and that are best positioned to employ them in the marketplace.

In this particular instance, there is every reason for the Commission to move quickly to act on this transaction in the absence of demonstrable harm and the immediate benefits to consumers. As technology and innovation threaten old business strategies they create new opportunities for companies to rethink their strategies and restructure their operations to better serve their customers. Given the pace of change in communications markets, acting on this transaction promptly, and within the Commission's established time period for reviews, will quickly bring the benefits of innovation and change to the customers that Frontier hopes to serve.

Thank you for your consideration of USTelecom's views on this important matter.

Sincerely,



Walter B. McCormick, Jr.