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May 6, 2010

Ms. Marlene Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: Ex Parte Notice. WC Docket no. 90-95. In the Matter of Applications filed by Frontier Communications Corporation and Verizon Communications, Inc. for Assignment or Transfer of Control

FOR PUBLIC INSPECTION

Dear Ms. Dortch:

On May 5, 2010 Debbie Goldman of the Communications Workers of America (CWA), Randy Barber, Consultant to CWA, and I met separately with Angela Kronenberg, Acting Legal Advisor to Commissioner Clyburn, Jennifer Schneider, Senior Policy and Legal Advisor to Commissioner Copps, and Zachery Katz, Deputy Chief Office of Strategic Planning & Policy Analysis, to discuss the above-captioned proceeding.

At each of the meetings we discussed CWA's prior ex parte presentations dated May 4, 2010 and April 16, 2010 previously filed in this matter. We also discussed the chart entitled, "Percentage of Net Income Paid Out in Dividends of Selected Telecommunications Firms –2009" and the chart entitled "A Few Leveraged Companies That Went Bankrupt" also previously filed in this matter on May 5, 2010.[1] In addition we referenced the correspondence dated May 3, 2010, from Joseph J. Starsick, to the Executive Secretary of the West Virginia Public Service Commission filed in this matter on May 5, 2010.

At each meeting we also discussed two highly confidential Frontier Communications Corporations documents that concern financial and expense projections that are being filed under separate cover. In that these are the highly confidential documents themselves, redacted copies are not be provided.

[1] Please note that in my Ex Part Notice filed May 5, 2010 I included a copy but inadvertently failed to reference in the correspondence the chart entitled "A Few Leveraged Companies That Went Bankrupt."

In addition, we discussed CWA's belief that the proposed merger fails to meet the requirements of the law and should be rejected. At each meeting we urged the Commission to hold hearings on this matter given the fact that the proposed transaction is not in the public interest and that there are numerous facts in dispute in this matter. Lastly, at each meeting we stated that if the Commission were to consider approving the transaction the Commission should adopt certain conditions that would at least ameliorate the most serious risks of the proposed transaction. CWA provided a list of those conditions entitled "CWA Proposed Recommendations – Verizon/Frontier Transaction" which is attached hereto. The proposed recommendations include recommendations regarding financial matters, broadband, West Virginia cutover, systems integration and service quality.

If you have any questions or concerns please feel free to contact me.

Sincerely,

Vincent Trivelli

CWA PROPOSED RECOMMENDATIONS – VERIZON/FRONTIER TRANSACTION

CWA believes that the proposed merger fails to meet the requirements of the law and should be rejected. If, however, the Commission approves the transaction, the CWA urges the Commission to adopt conditions that would at least ameliorate some of the most serious risks of the transaction:

FINANCIAL

- **Frontier payout ratio (as measured by dividend/net income) shall be no higher than 75 percent.**

- **Verizon shall retain financial responsibility for a successful transaction and transition.** CWA expert Randy Barber has suggested two alternative approaches to retaining Verizon's involvement:

    a. Require Verizon to provide Frontier with a long-term guarantee on all critical elements of the property it seeks to sell, with meaningful milestones which must be reached prior to allowing Verizon to terminate its guarantees.

    b. Require Verizon and Frontier to form a Joint Venture, with meaningful milestones which the Joint Venture would be required to achieve before Verizon would be permitted to complete its sale (and Frontier allowed to consummate its purchase.)

BROADBAND

- **By 2015, 80 percent of consumers covered by the transaction shall have the ability to receive 50 mbps downstream and 20 mbps upstream.**

- **Within three years of the Transaction Closing date, 100 percent of the lines in the transaction territory should be capable of 4 mbps DSL service, and 85 percent of lines should be capable of 7 mbps DSL service.**

    - Verizon should place funds in an escrow account that will allow 100 percent broadband availability. The funds should only be returned to Verizon upon verifiable attainment of DSL availability milestones in the transaction area. A suggested sequence of annual milestones aimed at guaranteeing broadband availability to100 percent of the transaction territory within three years should be:

        - Within one year of the Transaction Closing Date, 75 percent of the lines in the transaction territory should be capable of carrying DSL service at 4 mbps download speed.
        - Within two years of the Transaction Closing date, 90 percent of the lines in the transaction territory should be capable of 4 mbps DSL service, and 75 percent of lines should be capable of 7 mbps service.

  - It is only after each milestone is achieved that Verizon would have a portion of the Escrow funds returned. If the milestones are not met, the funds would be turned over to Frontier.

- **Verizon should license its FiOS platform for use in all Frontier service areas (just as we believe it has done in Oregon, Washington, Indiana, and South Carolina).**

- **Job commitments as part of the public interest.** Frontier claims unprecedented synergies for a deal of this size – two times bigger than any other. In past merger reviews, the Commission has recognized commitments to maintain or grow jobs as a significant public interest benefit related to service quality and investment. Frontier has made inadequate commitment to maintain or grow jobs. The $500 million in synergies that it projects means job cuts.

WEST VIRGINIA CUTOVER

- Restructure the transaction so Verizon cannot leave until Frontier achieves a full conversion to its own operating systems.

- Require a third-party audit of the cutover *before* it occurs and on-going Commission oversight, and independent testing, of that process.

- Require Frontier to allocate sufficient resources in West Virginia to coincide with the time that cutover occurs so that Frontier is able to handle any possible spikes in customer calls and complaints.

- Require Frontier to provide a report to the Commission outlining its plans, which would be subject to the Commission's review and approval before the cutover could occur.

SYSTEMS INTEGRATION

- Frontier shall submit an integration plan to the Commission at least 180 days before the integration occurs.

SERVICE QUALITY

- Verizon should establish a Service Quality Incentive Escrow Fund that would cover two years' worth of penalties for failure to meet service quality benchmarks in the states.

- The Commission should establish retail Service Quality requirements with penalties for missing the Commission's benchmarks.