

# Frontier Communications Perspectives on the ABC Plan

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Our Mission | To be the leader in providing communications services to residential and business customers in our markets

# The America's Broadband Connectivity Plan Achieves Industry Consensus

## *Resolving Differences for Progress*

- **Meaningful reform of Universal Service and intercarrier compensation has been stymied for the past decade**
- **The ABC Plan includes compromises that have led to wide support by large and small ILEC carriers and associations**
  - This represents the first time that the large ILECs have agreed on reform; the additional support from the rate-of-return carriers can enable reform this year
- **The ABC Plan is designed to meet the FCC's principles of:**
  - **Modernization for Broadband:** Provides broadband to millions of Americans in high cost areas
  - **Fiscal Responsibility:** Will not increase the size of the High Cost Fund
  - **Accountability:** Connect America Fund recipients must document results
  - **Market-Driven Policies:** Uses a forward-looking model to efficiently distribute the funds

# Intercarrier Compensation

## *Providing Certainty into the Future*

- **Implements immediate and critical reforms to:**
  - 1) identify and rate VoIP traffic terminating on the PSTN;
  - 2) prevent phantom traffic;
  - 3) prevent arbitrage from access pumping
- **Provides a glide path toward a uniform switched access rate**
  - The five-year transition period is essential for stability and reform
- **Provides two switched access revenue recovery mechanisms:**
  - Limited end user increases (up to \$30.00)
  - Universal Service recovery that phases down over time/recalculated annually

# Connect America Fund

## *The Path Forward for Broadband Access in High Cost Areas*

- **The ABC Plan provides 4 million households with broadband access that would otherwise be uneconomical to serve**
- **The procurement method includes designated provider metrics to ensure reliable broadband service delivery**
- **Use of a forward-looking model to fund one provider per area promotes the most efficient method of distribution**
- **The right-of-first refusal provides stability and accountability**

# Frontier Supports the ABC Plan

## *The Time for Action is Now*

- **The ABC Plan includes compromises we have agreed to because it will provide a win-win outcome**
- **The Plan is holistic – Frontier cannot support this Plan if the components are individually changed or “cherry picked”**
- **The continued lack of certainty for subsidy revenues and USF/Intercarrier Compensation reform will put current and future broadband build-outs in jeopardy**