

EXHIBIT 1

STATE OF CONNECTICUT
PUBLIC UTILITIES REGULATORY AUTHORITY

DOCKET NO. 14-01-46

JOINT APPLICATION OF FRONTIER COMMUNICATIONS CORPORATION AND
AT&T INC. FOR APPROVAL OF A CHANGE OF CONTROL

PREPARED DIRECT TESTIMONY OF

KATHLEEN QUINN ABERNATHY

EXECUTIVE VICE PRESIDENT – EXTERNAL AFFAIRS

ON BEHALF OF

FRONTIER COMMUNICATIONS CORPORATION

MARCH 13, 2014

1 **I. INTRODUCTION**

2 **Q. Please state your name, occupation and business address.**

3 A. My name is Kathleen Abernathy. I am Executive Vice President – External
4 Affairs of Frontier Communications Corporation (“Frontier” or the “Company”).
5 My business address is 3 High Ridge Park, Stamford Connecticut, 06905.

6

7 **Q. Please state your educational background and experience.**

8 A. I received a B.A. from Marquette University and a J.D. from Catholic University
9 of America’s Columbus School of Law, where I was a Distinguished Practitioner
10 in Residence. I am a member of the District of Columbia Bar and the Federal
11 Communications Bar Association, of which I was a Past-President, and have
12 served as an adjunct professor at Georgetown University Law Center and The
13 Columbus School of Law. In June, 2012 I became a board member of ISO New
14 England, Inc., which is an independent, not-for-profit regional transmission
15 organization responsible for reliability of the bulk electric power system,
16 administration of the wholesale electricity market, and comprehensive planning
17 processes that address the electricity needs of Connecticut, Maine, Massachusetts,
18 New Hampshire, Rhode Island and Vermont. Prior to joining Frontier, I was a
19 Partner at Wilkinson Barker Knauer, LLP, advising clients on a wide range of
20 legal, policy and regulatory issues related to telecommunications and the media.
21 Before this, I was a Partner at the law firm of Akin Gump Strauss Hauer & Feld,
22 LLP. I served as a Commissioner with the Federal Communications Commission
23 (“FCC”) from 2001-2005. While a Commissioner, I chaired the Federal-State

1 Joint Board on Universal Service and participated as a U.S. representative in
2 numerous international bilateral and multilateral negotiations, including the 2002
3 International Telecommunication Union (“ITU”) Plenipotentiary Conference and
4 the 2003 ITU World Radiocommunications Conference. I was appointed by the
5 ITU to chair the 2004 ITU Global Symposium for Regulators. Prior to joining the
6 FCC, I was Vice President for Public Policy at BroadBand Office
7 Communications; Vice President for Regulatory Affairs at US West, Inc.; and
8 Vice President for Federal Regulatory Affairs at AirTouch Communications.
9 Earlier in my career, I was Legal Advisor to two FCC commissioners and a
10 Special Assistant to the agency’s General Counsel.

11

12 **Q. Please provide a brief history of your employment and current**
13 **responsibilities at Frontier.**

14 A. I joined Frontier in March 2010 and was the Company’s Chief Legal Officer and
15 Executive Vice President, Regulatory and Governmental Affairs until June 2010.
16 Since that time, I have served as Executive Vice President, External Affairs and
17 am responsible for the Company’s governmental and regulatory affairs. In
18 addition to these executive roles, I served on Frontier’s Board of Directors from
19 April 2006 through February 2010.

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1 **Q. What are your duties as Executive Vice President – External Affairs of**
2 **Frontier?**

3 A. As Executive Vice President, External Affairs, I am a member of the senior
4 leadership team reporting directly to the President and CEO. I supervise and
5 direct the teams responsible for oversight and compliance with federal and state
6 regulatory requirements. In addition, I oversee and direct federal and state
7 advocacy before regulatory entities, elected officials and Executive Branch
8 agencies.

9

10 **Q. Have you reviewed the testimonies of Ken Mason, Vice President, Business**
11 **Operations, and Robert W. Starr, Senior Vice President and Treasurer of**
12 **Frontier, and how does your testimony relate to their testimonies?**

13 A. Yes, I have reviewed and agree with Mr. Mason’s and Mr. Starr’s testimonies.
14 Mr. Mason’s testimony addresses Frontier’s technological suitability, operations,
15 service quality, and related aspects of Frontier’s acquisition of The Southern New
16 England Telephone Company (“SNET”) from AT&T Inc. (“AT&T”) (the
17 “Transaction”). Mr. Starr’s testimony focuses on the financial aspects of the
18 Transaction and addresses Frontier’s financial suitability to acquire SNET. Their
19 discussions of Frontier’s qualifications and capabilities in the context of the
20 proposed acquisition of SNET are complementary and consistent with my
21 testimony. My testimony addresses Frontier’s managerial suitability, service
22 issues, and other aspects of the Transaction, including the public interest benefits
23 of the Transaction.

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Q. What is your understanding of the issues that the Company must address related to PURA’s standard of review in this proceeding?

A. I understand that Connecticut General Statute §16-47(d) states that the Public Utilities Regulatory Authority (“PURA” or the “Authority”) shall review the financial, technological and managerial suitability and responsibility of the corporation that will become a holding company with control over a telephone company in the State. The PURA also is to consider the ability of the telephone company that is the subject of the transaction to provide safe, adequate and reliable service to the public if the application is approved.¹ Additionally, I understand that the Authority must review the “effect of approval on the location and accessibility of management and operations and on the proportion and number of state resident employees.”² I am further aware that PURA has also considered the public interest in its review of prior transactions. My testimony and the testimonies of Mr. Starr and Mr. Mason together address all of these elements, and demonstrate that the Transaction is consistent with PURA’s standard and should be approved.

Q. Please summarize your testimony.

A. My testimony will address the following areas and topics:

- Frontier’s commitment to high quality customer service and its managerial suitability and responsibility;

¹ Conn. Gen. Stat. §16-47(d).
² *Id.*

- 1 • Frontier’s local management model and the effect of Transaction on the
2 location and accessibility of management and operations, including the
3 proportion and number of state resident employees; and
4 • an explanation of why the Transaction is in the public interest.
5

6 **II. FRONTIER’S COMMITMENT TO HIGH QUALITY CUSTOMER**
7 **SERVICE AND ITS MANAGERIAL SUITABILITY AND**
8 **RESPONSIBILITY**
9

10 **Q. Can you provide a summary of the proposed Transaction?**

11 A. Yes. Frontier will purchase from AT&T all of the issued and outstanding capital
12 stock of SNET, following receipt of necessary regulatory approvals and
13 satisfaction or waiver of other closing conditions. In addition to the approval the
14 Company is seeking from PURA, the Transaction is also subject to approval by
15 the FCC and review by the U.S. Federal Trade Commission (“FTC”) under the
16 Hart-Scott-Rodino Antitrust Improvements Act (“HSR”). Frontier was notified
17 on February 21, 2014 that the FTC terminated early the antitrust waiting period,
18 thus granting HSR clearance for the Transaction to proceed.³ Upon closing,
19 Frontier will be the holding company and the sole stockholder of SNET, which is
20 AT&T’s incumbent local exchange carrier (“ILEC” or “LEC”) operation in the
21 State, and SNET will be a first-tier subsidiary of Frontier. Mr. Starr’s testimony
22 provides a more detailed description of the Transaction and the financial terms.
23

³ In addition, some state regulatory commissions must approve Frontier’s acquisition of SNET America Inc., which was formerly a certified local exchange carrier (“CLEC”) in Connecticut, and a second-tier wholly-owned subsidiary of AT&T.

1 **Q. What can Connecticut expect from Frontier as a result of the Transaction?**

2 A. As in other states it serves, Frontier will be a good corporate citizen in
3 Connecticut, a strong and responsive competitor, and a reliable provider of critical
4 network infrastructure and services to support the State's economic growth. In
5 serving its customers the Company will comply with all federal and state laws and
6 regulations.

7

8 **Q. Please provide additional background on Frontier.**

9 A. Frontier is a publicly-traded Delaware corporation (NYSE: FTR). The Company
10 is a full-service wireline communications service provider and is the fourth largest
11 LEC in the United States. Frontier originally was incorporated in November
12 1935. The Company, through its wholly-owned operating companies, today
13 provides an array of wireline telecommunications and broadband services,
14 including local and long distance telephone, video, and Internet services, as well
15 as bundled offerings, wireless Internet data access, data security solutions, and
16 specialized bundles for residential customers and small/medium/large businesses
17 and home offices. The Company also provides interconnection services to
18 wholesale customers. Frontier currently provides these services in 27 states. The
19 Company's LEC service territories are located in Alabama, Arizona, California,
20 Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Michigan, Minnesota,
21 Mississippi, Montana, Nebraska, Nevada, New Mexico, New York, North
22 Carolina, Ohio, Oregon, Pennsylvania, South Carolina, Tennessee, Utah,

1 Washington, West Virginia, and Wisconsin. Connecticut will be the Company's
2 28th state.

3

4 **Q. Describe the types of markets where Frontier provides service.**

5 A. Across the country, Frontier provides services to small and medium-sized
6 markets, including lower-density markets, mid-sized communities, and
7 urban/suburban areas such as Rochester, New York, Minneapolis/St. Paul,
8 Minnesota, Charleston and Huntingdon, West Virginia, and Elk Grove, California
9 (a suburb of Sacramento). The Company also provides local telecommunications
10 and FiOS data/video services in the suburbs of Portland, Oregon, and Seattle,
11 Washington, which are service regions generally similar to markets in
12 Connecticut. During the last fifteen years, Frontier has grown to become a
13 substantial service provider in the local exchange carrier segment of the
14 telecommunications industry through the targeted acquisition of companies and
15 assets, and the successful integration of operations and support functions.⁴ As a
16 result of these efforts and the Company's strategic focus on customer service,
17 Frontier now serves 3.1 million customers, including 1.9 million broadband and
18 385,000 video customers.⁵

19

20 **Q. Please summarize the types of services provided by Frontier.**

21 A. Frontier is an ILEC in most of its service territories, and it operates as a CLEC in
22 the remaining territories. In the areas in which the Company is an ILEC, it

⁴ Mr. Mason's testimony describes Frontier's acquisition history in more detail.

⁵ Starr Testimony, Ex. RWS-3. These data are as of December 31, 2013.

1 provides the “last mile” of telecommunications services to residential and
2 business customers. The Company believes that the key to its continued success
3 is to remain focused on its core mission:

4 *...to be the leader in providing communications services to residential and*
5 *business customers in our markets.*

6 Frontier’s products and services include:

- 7 • Data and Internet services
 - 8 ○ Wireline broadband services
 - 9 ○ Data transmission services (e.g., DS1, DS3, OCNX, Ethernet,
10 dedicated Internet Protocol)
 - 11 ○ Wireless broadband services
 - 12 ○ Computer security and premium technical support (i.e., Frontier
13 Secure)
 - 14 ○ Commercial Voice over Internet Protocol (VoIP) service
- 15 • Local and long distance voice services
 - 16 ○ Local voice services
 - 17 ○ Enhanced services (e.g., voicemail, call waiting)
 - 18 ○ Long distance network services
- 19 • Access services
- 20 • Other services
 - 21 ○ Satellite and terrestrial video
 - 22 ○ Customer premise equipment
 - 23 ○ Directories

24

1 **Q. How does Frontier see the industry and its services evolving?**

2 A. Broadband is the core growth driver of the Company's service offerings.
3 Illustrating its commitment to broadband, during 2013, Frontier added
4 approximately 112,250 net broadband subscribers. This number exceeded the
5 total net additions for the previous three years combined, bringing the Company's
6 total number of broadband subscribers to 1,866,700 as of December 31, 2013.
7 Frontier regards its capital expenditures on expansion and improvement of
8 broadband availability and speed as fundamental in attracting, serving, and
9 retaining a greater number of customers. Capital expenditures are dedicated to
10 enhancing the existing outside plant by expanding fiber-based infrastructure,
11 enhancing transport and expanding the capability of Frontier's middle-mile and
12 data backbone. At the end of 2013, approximately 90 percent of the households
13 throughout Frontier's service territories had access to wireline broadband
14 products with speeds of at least 1 Mbps, with more than 80% having access to
15 speeds of 4Mbps or higher.⁶ This figure is particularly impressive as Frontier has
16 been upgrading the operations of the former Verizon Communications Inc.
17 ("Verizon") properties, where broadband availability was approximately 60
18 percent prior to Frontier's July 2010 acquisition of more than 4 million access
19 lines in fourteen states. The table below provides more detail on Frontier's
20 progress in improving broadband availability to households across the Company's
21 service areas.⁷

22

⁶ Starr Testimony, Ex. RWS-3, at 3.

⁷ Starr Testimony, Ex. RWS-3, at 8.

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TABLE 1: Frontier Broadband Availability December 31, 2013 and 2012

| <i>(In excess of)</i> | 2013 | 2012 |
|-----------------------|-------------|-------------|
| 1 Mbps | 90% | 88% |
| 3 Mbps | 86% | 83% |
| 4 Mbps | 83% | 77% |
| 6 Mbps | 76% | 74% |
| 12 Mbps | 61% | 51% |
| 20 Mbps | 48% | 40% |

2

3

4 **Q. Please provide a breakdown of the number of customers served by Frontier.**

5 A. The following table identifies Frontier's customers at the end of 2013, including
6 the total number of business customers and, by state, the number of residential
7 customers.⁸ Connecticut will become the Company's single largest market (based
8 on number of customers), representing almost 20 percent of the post-Transaction
9 customer base.

⁸ Starr Testimony, Ex. RWS-3, at 7.

1

TABLE 2: Frontier Customers December 31, 2013

| | Residential customers | % of total Res Customers |
|-----------------------------|------------------------------|---------------------------------|
| West Virginia | 336,092 | 12.0 % |
| New York | 278,111 | 9.9 % |
| Indiana | 277,663 | 9.9 % |
| Illinois | 267,043 | 9.5 % |
| Ohio | 248,894 | 8.9 % |
| Michigan | 201,031 | 7.2 % |
| Washington | 200,810 | 7.2 % |
| Oregon | 145,569 | 5.2 % |
| Wisconsin | 135,347 | 4.8 % |
| Pennsylvania | 127,381 | 4.5 % |
| Minnesota | 103,625 | 3.7 % |
| North Carolina | 102,493 | 3.7 % |
| California | 76,166 | 2.7 % |
| Arizona | 69,704 | 2.5 % |
| Idaho | 53,558 | 1.9 % |
| South Carolina | 42,639 | 1.5 % |
| Other states ⁽¹⁾ | 137,355 | 4.9 % |
| Total | 2,803,481 | 100 % |
| Total business customers | 270,799 | |
| Total customers | 3,074,280 | |

⁽¹⁾ Includes Tennessee, Nevada, Iowa, Nebraska, Alabama, Utah, Georgia, Montana, New Mexico, Mississippi and Florida.

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3

4 **Q. In summary, does Frontier have the managerial capability to manage the**
5 **SNET properties?**

6 A. Yes. The Company has significant managerial capability and experience, with a
7 strong and proven management team that has successfully and effectively
8 acquired, developed and supervised the Company's operations in 27 states.
9 Notably, Frontier's core business is wireline local telecommunications, which is
10 also the core of the SNET business. The Company expects SNET to benefit from

1 a management team that focuses all of its resources on superior wireline
2 telecommunications operations. In addition, Frontier has been headquartered in
3 Connecticut for nearly 70 years. This acquisition will not only increase job
4 opportunities in the State and solidify the Company's corporate presence, but will
5 result in a laser-like focus on customer service and network quality for SNET
6 customers. Frontier's senior management team is supported by a much larger
7 group of professionals, including regional, state and local managers, a number of
8 which will be based in Connecticut. The biographies of the other members of
9 Frontier's senior management team (my biography was included earlier) are
10 found in Exhibit KQA-1 attached to this testimony.

11
12 **III. FRONTIER'S LOCAL MANAGEMENT MODEL AND THE EFFECT ON**
13 **THE LOCATION AND ACCESSIBILITY OF MANAGEMENT AND**
14 **OPERATIONS**
15

16 **Q. How will Frontier provide for local management in Connecticut?**

17 A. Frontier plans to implement in Connecticut its community-oriented management
18 model of intense local engagement. This model is based on local general
19 managers and a state leader. The approach ensures that Frontier's professionals
20 are accessible to and focused on the needs of its customers. As Mr. Mason
21 testifies, the Company's experience in West Virginia is illustrative of the positive
22 results achieved through Frontier's focused local strategy. In 2008, prior to
23 Frontier's acquisition from Verizon of the local telephone operations in that state,
24 broadband was available to only approximately 60 percent of the households in
25 the service area. Because of Frontier's local management model and singular

1 attention to providing wireline broadband infrastructure, the Company was able to
2 report to the Public Service Commission of West Virginia on January 31, 2014,
3 that it had achieved over 88 percent broadband availability.⁹ Other metrics
4 improved significantly, as described by Mr. Mason, and the positive results are a
5 reflection on the local managers who work closely with customers and with other
6 Frontier personnel in serving the needs of the local community.

7

8 **Q. Can you provide additional detail related to Frontier’s local engagement**
9 **model?**

10 A. Frontier’s local engagement model is designed so that Frontier employees are
11 accessible and provide high-quality service to their communities. Employees are
12 encouraged to become actively involved in their communities. The model has
13 been applied successfully throughout Frontier’s service regions, resulting in
14 improved customer retention and reducing monthly residential customer churn in
15 the last two years to less than 1.7 percent.¹⁰ The model is based on local general
16 managers who are empowered to make decisions responsive to local needs.
17 Frontier believes that this approach allows the Company to remain flexible, more
18 competitive, and innovative in meeting the communications needs of local
19 customers. Thus, customers benefit from the advantages of service from a large
20 company while retaining the close working relationships of a locally owned and
21 operated company.

⁹ Mason Testimony, Ex. KM-4, at 2.

¹⁰ Starr Testimony, Ex. RWS-3, at 6.

1 **Q. Please comment about the location and accessibility of management and**
2 **operations.**

3 A. The Transaction will have a positive effect on the location and accessibility of
4 management and operations of SNET. As has been the case since 1946, most of
5 Frontier's senior leadership team is located at the Company's Stamford,
6 Connecticut headquarters. The senior leadership team includes Frontier's
7 Chairman and Chief Executive Officer; President and Chief Operating Officer;
8 Executive Vice President and Chief Financial Officer; Executive Vice President,
9 Human Resources and Administrative Services; and Senior Vice President,
10 General Counsel and Secretary. In addition, Frontier's Senior Vice President and
11 Controller, Senior Vice President and Treasurer, Senior Vice President,
12 Regulatory, and Senior Vice President, Engineering are also located in Stamford.

13
14 **Q. Where will Frontier's Northeast Regional management and the local**
15 **management of the SNET operations be located?**

16 A. Following the close of the Transaction, the Company will establish its Northeast
17 Regional offices in New Haven, where the Northeast Regional President will be
18 located. In addition, Frontier's General Manager for the State of Connecticut will
19 be based in Hartford. The Frontier organization will also include four Area
20 General Managers situated across the State. As a result, Frontier will have a
21 larger management and operations presence in Connecticut after its acquisition of
22 SNET. In addition, as a subsidiary of Frontier, SNET will become a Connecticut-
23 managed telephone company, which has not been the case since the 1998 SBC

1 acquisition that resulted in the parent of SNET maintaining its headquarters in
2 Texas.¹¹ Thus, Frontier's acquisition of SNET from AT&T will result in
3 corporate management, regional management and local management of SNET all
4 being located in the State of Connecticut, providing a clear benefit in terms of this
5 element of the standard of review.

6

7 **Q. How will the Transaction affect employment in Connecticut?**

8 A. The Transaction is expected to have no negative effect and may have a positive
9 effect on employment in Connecticut. Frontier anticipates that, at a minimum, it
10 will maintain jobs in the State. Frontier has approximately 200 employees who
11 currently work at the Stamford headquarters, and the Company's Connecticut
12 workforce will also include approximately 2,700 SNET employees who will
13 become part of the Frontier organization at the time of closing.

14

15 **Q. Why might the Transaction have a positive effect on employment in**
16 **Connecticut?**

17 A. The Company is also planning to bring additional dispatch jobs, as well as certain
18 other professional positions to the State. While plans are not yet complete, the
19 total additions could be 40 to 70 union jobs, and a total of 60 to 85 new positions.
20 Obviously, an expansion of employment would be a net benefit to the State.

21

¹¹ SBC moved its headquarters to San Antonio from St. Louis in 1993. In 2008, the merged AT&T-SBC relocated its headquarters in Dallas, Texas.

1 **Q. What changes for the union workforce in Connecticut might be expected as a**
2 **result of the Transaction?**

3 A. Frontier expects no changes that would negatively affect the Connecticut union
4 workforce. The majority of SNET employees who will join Frontier are
5 represented by the Communications Workers of America. As part of the
6 Transaction, Frontier will honor all existing collective bargaining agreements
7 covering these union employees.

8
9 **IV. THE PROPOSED TRANSACTION IS IN THE PUBLIC INTEREST**

10 **Q. Is the Transaction in the public interest?**

11 A. Yes. Frontier's acquisition of SNET is consistent with the public interest and will
12 provide benefits for all stakeholders, which include retail and wholesale
13 customers, employees, investors, and the State of Connecticut as a whole.
14 Additionally, the Transaction will provide benefits as a result of increased
15 competition, stable employment, and a new locally-based wireline provider.

16

17 **Q. Please describe the public interest issues affecting retail customers.**

18 A. As described above, retail customers will continue to have access to the existing
19 products and services that they currently enjoy, including the U-verse suite of
20 products. Customers will benefit from new service options as well, including
21 Frontier's branded products and services, such as Frontier Secure.¹² Additionally,

¹² Frontier Secure is a suite of products aimed at managing the digital experience for customers. The service is designed to provide value and simplicity to meet customers' ever-changing needs. Frontier Secure offers products and services to protect key aspects of digital life, including computer security, cloud backup and sharing, identity protection, equipment insurance and 24/7 premium U.S.-based technical

1 all customers will benefit from Frontier’s focus on wireline infrastructure and
2 sound financial position, as discussed more fully by Mr. Starr. The Company
3 believes that its strategic focus on customer service, combined with its financial
4 strength, will result in investments that maintain and improve service quality and
5 support the introduction of innovative products and service offerings in the State.
6 Customers will also see the benefit of Frontier’s local engagement management
7 model, and its emphasis on high levels of customer service. In short, the public
8 interest will be served by a locally-owned and operated Company relying on a
9 management team entirely focused on providing customers with an advanced
10 wireline network and services, including upgrades and expansion of broadband
11 services.

12
13 **Q. What are the public interest issues with respect to wholesale customers?**

14 A. As noted above, Frontier has a track record of successfully transitioning
15 wholesale customers in all of its previous transactions, including assuring that the
16 terms of existing contracts are honored. There will be no harm to wholesale
17 customers as result of the Transaction, and Frontier will strive to provide a high-
18 quality network over which those interconnected carriers can serve their
19 customers. Wholesale customers will benefit from Frontier’s emphasis on
20 maintaining and improving the wireline network.

21

support. These products and services are sold nationwide directly to consumers and small businesses, and wholesale through strategic partnerships under either a private brand or the Frontier Secure brand.

1 **Q. Will wholesale interconnection operations support systems be impacted**
2 **negatively by the Transaction?**

3 A. No. As Mr. Mason testifies, Frontier is confident in its ability to transition retail
4 and wholesale customers in a seamless manner. AT&T and Frontier have already
5 begun to implement a plan for the smooth and transparent transition of operations
6 support systems (“OSS”) and operations so that wholesale customers will not
7 experience disruptions in service, ordering, or billing.

8

9 **Q. How will the public interest be served with respect to SNET’s employees?**

10 A. The Agreement includes specific measures that are beneficial to SNET
11 employees. As previously stated, Frontier will honor all collective bargaining
12 agreements and will provide union employees with the compensation and benefits
13 required by those agreements, subject to the terms of those agreements and
14 applicable law. Frontier will give SNET employees full credit for purposes of
15 eligibility, vesting and benefit levels under the Company’s employee benefit
16 plans. Further, for a period of one year from the closing date, Frontier has agreed
17 to provide non-union SNET employees with base compensation, incentive
18 opportunities and benefits that are comparable to those they had immediately
19 prior to the closing.¹³ These commitments to employees are consistent with the
20 public interest.

21

22

¹³ See Application, Ex. 1, § 6.6.

1 **Q. Are there additional benefits that SNET employees will realize from the**
2 **Transaction?**

3 A. The SNET employees who join Frontier will benefit from employment with a
4 focused wireline network provider that is committed to the State of Connecticut.
5 Because Frontier anticipates increased broadband deployment and an emphasis on
6 service, the Company will offer employees a stable workplace with the potential
7 for professional development as new technologies and opportunities emerge.

8

9 **Q. Please comment on the public interest relative to SNET's ownership by**
10 **Frontier as compared to its ownership by AT&T.**

11 A. AT&T owns and operates numerous businesses and business units that compete
12 internally within AT&T for management attention and capital resources. While
13 certainly not as large as AT&T, Frontier is a sizeable corporation with a long and
14 successful history of providing wireline communications services. Frontier's
15 subsidiaries enjoy the benefit of being part of the country's fourth largest LEC,
16 and one that is focused on wireline and local telecommunications operations, like
17 those that Frontier is acquiring in this Transaction. It is Frontier's conviction that
18 post-transaction SNET will provide superior operating performance due to the
19 Company's focus and investment. Frontier believes that customers and investors
20 alike will benefit from its strategic commitment.

21

22 **Q. Please comment on the public interest issues and benefits to Connecticut?**

1 A. The State of Connecticut as a whole will benefit from the Transaction. As
2 described above, Frontier has been headquartered in Connecticut for nearly 70
3 years and has strong roots in the State. The Company's presence in Connecticut,
4 where it will prioritize customer service and service quality, will expand as a
5 result of the Transaction. At the close of the Transaction, SNET will be Frontier's
6 largest state operation and will be a central focus of the Company's locally-based
7 senior leadership team. In short, Connecticut will be a focal point of Frontier's
8 business and customer strategy. Frontier is already an integral part of the local
9 community in Stamford, as it is in all of the communities that the Company
10 serves. This acquisition will bring jobs and investment to the State, as well as a
11 Company committed to growth and prosperity. Connecticut will benefit from the
12 expanded presence of a dedicated corporate citizen.

13

14 **Q. Will the State benefit from enhanced competition for telecommunications**
15 **services?**

16 A. Yes. Connecticut will benefit from an additional telecommunications provider in
17 the State as a result of the Transaction. Under the Agreement, AT&T will retain
18 its state-based, non-ILEC operations that predate its ownership of SNET. In
19 addition, AT&T will continue to serve enterprise and wireless customers across
20 the State. The Transaction will increase local exchange competition in
21 Connecticut when Frontier takes control of SNET after closing, including
22 competition against AT&T. The Transaction introduces Frontier as a new

1 Connecticut telecommunications provider, while AT&T will also remain a
2 significant force in the State's communications marketplace.

3

4 **Q. Can you comment on the Transaction as it may relate to other interested**
5 **parties?**

6 A. Frontier recognizes that as a stock purchase, the Transaction does not alter the
7 existing contractual obligations of SNET. Further, it is Frontier's intention to
8 work constructively with all stakeholders, now and after the consummation of the
9 Transaction.

10

11 **Q. Does this conclude your direct testimony?**

12 A. Yes, thank you.

13

14

1 **EXHIBIT KQA -1**

2 **Biographies of Frontier Senior Management Team in addition to Ms. Abernathy**

3 **Maggie Wilderotter was named Chairman and CEO** of Frontier January 1,
4 2006. She joined the company November 1, 2004 as President and CEO and a
5 member of the Board of Directors. Before this, she was Senior Vice President of
6 Worldwide Public Sector at Microsoft. Previously, Mrs. Wilderotter was
7 President and CEO of Wink Communications Inc., leading efforts to develop low-
8 cost, end-to-end e-commerce systems. Before that, her positions included
9 Executive Vice President of National Operations for AT&T Wireless Services
10 Inc., Chief Executive Officer of AT&T's Aviation Communications Division and
11 a Senior Vice President of McCaw Cellular Communications Inc.
12

13 Mrs. Wilderotter serves on the boards of Xerox Corporation and Procter &
14 Gamble Company and on the boards of a number of non-profit organizations. In
15 2011, she was named to the Directorship 100, and is a member of the Board of
16 Advisors of BoardroomIQ and the WomenCorporateDirectors (WCD) Global
17 CEO Task Force, and The Committee of 200. Since 2009, FORTUNE magazine
18 has included her in its ranking of the "50 Most Powerful Women in Business." On
19 November 8, 2010, Mrs. Wilderotter was inducted into the Connecticut Women's
20 Hall of Fame as it honored "Women in Business: Trailblazing the Corporate
21 Corridor. In November 2011, The Financial Times named her as one of "The Top
22 50 Women in World Business." That same month she received "The Business
23 Media Award" from the Women's Media Center. On April 24, 2012, B'nai B'rith
24 International presented her with its "Distinguished Achievement Award."
25

26 **Daniel McCarthy has been President and Chief Operating Officer** since April
27 2012 and was Executive Vice President and Chief Operating Officer from January
28 2006 to April 2012. Before this, he was Senior Vice President, Field Operations
29 from December 2004 to December 2005, Senior Vice President, Broadband
30 Operations from January 2004 to December 2004, and President and Chief
31 Operating Officer of Electric Lightwave from January 2002 to December 2004.
32

33 Mr. McCarthy has been with Frontier Communications Corporation since
34 1990, when he joined the company's Kauai, Hawaii, electric division. In 1995, he
35 moved to Flagstaff, Arizona, and assumed responsibility for the company's energy
36 operations. In 2001 he was promoted to President and Chief Operating Officer of
37 Citizens Public Services sector, responsible for the company's energy and water
38 operations.
39

40 He earned a bachelor's degree in marine engineering from the State
41 University of New York Maritime College at Fort Schuyler, and holds an M.B.A.
42 from the University of Phoenix. In October 2013, he was appointed a Trustee of
43 The Committee for Economic Development, a nonprofit, nonpartisan, business-

1 led, public policy organization. In December 2013, Mr. McCarthy was elected to
2 the Board of Trustees of Sacred Heart University in Fairfield, Connecticut.
3

4 **John M. Jureller is Executive Vice President and Chief Financial Officer.** He
5 joined Frontier Communications in January 2013 as Executive Vice President and
6 Chief Financial Officer–Elect and became Chief Financial Officer on February
7 27, 2013.
8

9 From 2008 through 2012, Mr. Jureller was Senior Vice President, Finance
10 and Operations for the Resources Group of General Atlantic LLC, a global
11 growth private equity firm managing \$17 billion around the globe. Before this, he
12 was Chief Financial Officer of WestPoint International, Inc., with overall
13 financial responsibility for a \$900 million company. He was responsible for all
14 financial matters, including public financial reporting, taxation, internal audit and
15 corporate finance. From 2003 through 2006, Mr. Jureller was a member of the
16 Corporate Turnaround & Restructuring practice of AlixPartners, LLC. His
17 responsibilities gave him wide exposure to telecommunications, including cable,
18 wireless and internet services. Previously, he was Chief Financial Officer of
19 Trans-Resources, Inc.; Senior Vice President, Corporate Development at Gartner,
20 Inc.; and Senior Vice President, Finance and Corporate Development at Caribiner
21 International, Inc. Early in his career, Mr. Jureller held increasingly senior
22 financial roles at PepsiCo World Trading Company, Inc., Emcor Group, Inc., and
23 General Electric Capital Corporation. Mr. Jureller began his career in finance at
24 Bankers Trust Company.
25

26 Mr. Jureller earned a B.S. with Distinction and an M.B.A. in Finance from
27 Cornell University. He sits on the Board of Directors of White Plains Hospital in
28 White Plains, New York and is a member of the hospital’s Finance Committee.
29

30 **Cecilia K. McKenney is Executive Vice President, Human Resources and**
31 **Administrative Services,** responsible for all Human Resources activities as well
32 as Procurement and Marketing Services (including brand activation and identity,
33 media plans and customer acquisition/retention programs), Corporate
34 Communications and Public Relations. Before this, she was responsible for
35 Human Resources and Sales Operations and was Executive Vice President,
36 Human Resources and Call Center Sales & Service from February 2008 to May
37 2012. Ms. McKenney joined the company as Senior Vice President, Human
38 Resources in February 2006. She is a member of the company's Senior Leadership
39 Team and reports to the Chairman and CEO.
40

41 Before Frontier, Ms. McKenney was Group Vice President of
42 Headquarters Human Resources for the Pepsi Bottling Group, Inc. (PBG) in
43 Somers, New York, responsible for all Human Resources functions supporting
44 PBG’s worldwide operations. Her organization supported for PBG's headquarters
45 and call center in addition to providing long-term strategic direction and day-to-
46 day business support for Staffing, Compensation and Benefits, Diversity,

1 Training, Talent Development and Human Resources Systems. Ms. McKenney
2 joined the Pepsi-Cola Company in 1989 in its headquarters-based employee
3 benefits group. She became Human Resources Manager in Pepsi-Cola's Northeast
4 Business Unit in 1992. In less than two years, Ms. McKenney transferred to
5 Northern California, where she managed HR issues for the company's San
6 Francisco market. In 1995, she was appointed Director of Human Resources for
7 PBG's California Business Unit. When PBG became an independent company
8 near the end of 1998, Ms. McKenney was appointed Vice President, Staffing and
9 Diversity at the company's headquarters. In 2000, she was promoted to Vice
10 President, Headquarters Human Resources and was named Group Vice President,
11 Headquarters Human Resources, in 2004.

12
13 Prior to Pepsi, Ms. McKenney worked for Mutual of New York and L.F.
14 Rothschild in Human Resource and Management roles. She earned a bachelor's
15 degree in business administration from Franklin & Marshall College, where she is
16 a member of its Leadership Council. She is a Certified Employee Benefits
17 Specialist.

18
19 **Mark D. Nielsen, is Senior Vice President, General Counsel, and Secretary,**
20 and joined Frontier in March 2014. Prior to this, he was Associate General
21 Counsel and Chief Compliance Officer for Danbury, Conn.-based Praxair Inc.
22 From 2007 to 2009, he was a Vice President and Assistant General Counsel of
23 defense contractor Raytheon Co. Before that, Mr. Nielsen served as Chief Legal
24 Counsel, and then Chief of Staff, to Massachusetts Governor Mitt Romney (2004-
25 2007).

26
27 Mr. Nielsen began his legal career in 1990 as an associate with the
28 Hartford law firm of Murtha, Cullina LLP. He also served three two-year terms
29 in the Connecticut Legislature, one term in the House (1993-1995) followed by
30 two terms in the Senate (1995-1999).

31
32 Mr. Nielsen graduated from Harvard College magna cum laude and Phi
33 Beta Kappa. He earned his law degree, cum laude, from Harvard Law School.

34
35 **Andrew Crain is Senior Vice President, Regulatory,** having joined Frontier in
36 June 2012. Prior to this, he was Scholar in Residence in the Interdisciplinary
37 Telecommunications Program at the University of Colorado Boulder from August
38 2011 to June 2012, teaching communications law, research methods and
39 telecommunications industry and a Senior Fellow at the Silicon Flatirons Center
40 for Law, Technology and Entrepreneurship.

41
42 From June 2000 to April 2011, Mr. Crain held various Deputy General
43 Counsel and Associate General Counsel positions at Qwest Communications
44 International, Inc. in the Regulatory, Commercial, FCC and Wholesale Groups.
45 From March 1997 to June 2000, he held legal positions at US West
46 Communications (predecessor to Qwest), in the Regulatory and Litigation

1 Groups. Prior to joining Qwest, he was a Partner in the law firm of Ross &
2 Hardies. Mr. Crain is the author of The Ford Presidency: A History and is
3 working on a history of the Carter administration. He received a B.A from the
4 University of Wisconsin at Madison and a J.D. from the University of Michigan
5 School of Law. He is a member of the Colorado Bar.
6

7 **Lois Hedg-peth Executive Vice President, Strategy**, having joined Frontier
8 Communications in July 2012. She is responsible for assessing strategic
9 opportunities, broadband transformation planning, and new revenue trials. She is
10 a member of the company's Senior Leadership team. From September 2009 to
11 September 2010, as a contractor with the position of Executive Vice President,
12 Integration, Ms. Hedg-peth led Frontier's initial integration of wireline and other
13 assets acquired from Verizon Communications and, from September 2011 to
14 April 2012, the subsequent business integrations related to this transaction.
15

16 In 2002, Ms. Hedg-peth joined Centrica, a competitive energy retailer.
17 During her six years with Centrica, she served as President, U.S. Operations;
18 Executive Vice President of Marketing; and Director of Energy for British Gas.
19 Her last position with Centrica was Chief Operating Officer of North America for
20 its Direct Energy division. Prior to Centrica Ms. Hedg-peth was President, Fixed
21 Wireless Operations, for AT&T Wireless. Before that, she served in various
22 capacities at AT&T, including leadership of its U.S. consumer long-distance
23 business and, as President of its Pacific and Western Regions, created AT&T's
24 first local consumer business.
25

26 Ms. Hedg-peth earned a Bachelor of Science in Systems Science and
27 Mathematics from Washington University in St. Louis, Missouri and a Master of
28 Business Administration from Pepperdine University.
29

30