

**Vantage Point Solutions
Carrier Review Report for
Commonwealth Telephone Company, LLC d/b/a Frontier Communications
Commonwealth Telephone Company**

From: Shomari Jackson, Reviewer

Company Personnel: Jennifer Oleniak, Senior Regulatory Analyst
Jessica C. Matushek, Director, Accounting

Date: August 27, 2021

PaUSF Status: Current with Reporting & Payment obligations

Re: Docket No. M-2021-3025389

*In the Matter of the Review of Frontier Commonwealth Services, LLC by the
Pennsylvania Universal Service Fund (PaUSF) Administrator Pursuant to 52 Pa.
Code §63.167, for Reporting Year 2020*

EXECUTIVE SUMMARY:

Pursuant to the Pennsylvania Public Utility Commission's (PPUC or Commission) December 3, 2020 Order¹, Vantage Point Solutions (VPS) conducted a carrier compliance review (Review) of Commonwealth Telephone Company, LLC d/b/a Frontier Communications Commonwealth Telephone Company (Frontier or Company) to ensure that carrier filings are compliant with the Commission's regulations. VPS was also directed to submit its Review Report to the Pennsylvania Universal Service Fund (PaUSF) by December 31, 2021.

Finding 1 – Frontier overstated its Unadjusted Intrastate End User Telecommunication Retail Revenue by not omitting its wholesale revenues from its retail revenues.

VPS recommends the Commission to issue a credit in the amount of \$33,353.13 against the annual assessment that would be owed by the company for Fiscal Year 22.

The Company agrees with this Review Report.

BACKGROUND:

During the course of the Review, VPS issued nine (9) Data Requests (DRs) to Frontier.

Frontier is an incumbent local exchange carrier in Pennsylvania, and is headquartered in Norwalk, CT.

¹ Pennsylvania Universal Service Fund Annual Rate Adjustment, Docket No. M-00001337, Dec. 3, 2020.

Frontier is required to report its prior year revenues via electronic filing of Carrier Data Collection Reports of Prior Year Revenues by March 31st of each year and pay any related assessments to the PaUSF on a monthly basis² In its Review, VPS found the Company's reporting was both timely and accurate, with the exception of the finding detailed in this report. The Company is not delinquent on any of its monthly contributions to the PaUSF.

Pursuant to the Commission's regulations³ no telecommunications service provider may implement a customer or end-user surcharge to recover its contribution to the USF. In its review, VPS confirmed Frontier does not implement a customer or end-user surcharge to recover its contributions to the PaUSF.

FINDINGS AND RECOMMENDATIONS:

Frontier overstated its Unadjusted Intrastate End User Telecommunication Retail Revenue on its Development of Assessment Data Request for Fiscal Year 21 by not omitting its wholesale revenues from the retail revenues.⁴

VPS recommends the Commission to issue a credit of \$33,353.13 against the annual assessment that would be owed by the Company for Fiscal Year 22.

The Company should also rectify its reporting practices to ensure it omits its wholesale revenues from its retail revenues to prevent similar misstatements on future PaUSF Development of Assessment Data Requests.

² Pennsylvania Universal Service Fund Annual Rate Adjustment, Docket No. M-00001337, Nov. 14, 2019.

³ 52 Pa. Code § 63.170.

⁴ Attachment A.