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October 31, 2024

Via Electronic Filing

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street – Filing Room (2 North)
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Joint Application of Frontier Parent, Inc. and its Regulated Subsidiaries and Verizon Communications Inc. for any Approvals Required under the Public Utility Code for a Transfer of Control, Docket No. A-2024-_____

Dear Secretary Chiavetta:

Enclosed please find the Joint Application of Frontier Communications Parent, Inc. with its wholly-owned subsidiaries regulated by this Commission (together, “Frontier”) and Verizon Communications Inc. (“Verizon”) for any required approvals to transfer control of Frontier to Verizon.

The \$350 filing fee is being paid electronically. Please let me know if you have any questions regarding this filing.

Very truly yours,

Suzan D. Paiva

Enclosures

Via email and first class mail

cc: Attached Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Application of :
: Frontier Communications Parent, Inc., :
Commonwealth Telephone Enterprises LLC, :
Commonwealth Telephone Company LLC d/b/a :
Frontier Communications Commonwealth :
Telephone Company, :
Frontier Communications of Breezewood, LLC, :
Frontier Communications of Canton, LLC, :
Frontier Communications of Lakewood, LLC, :
Frontier Communications of Oswayo River LLC, : A-2024- _____
Frontier Communications of Pennsylvania, LLC, :
Citizens Telecommunications Company of :
New York, Inc., :
CTSI, LLC d/b/a Frontier Communications :
CTSI, LLC, :
CTE Telecom, LLC, d/b/a Frontier Communications: :
CTE Telecom Company, :
Frontier Communications of America, Inc. :
: :
And :
: :
Verizon Communications Inc., :
France Merger Sub Inc. :
: :
For any Approvals Required Under :
the Public Utility Code for a Transfer :
of Control of Frontier Communications :
Parent, Inc. and its Pennsylvania subsidiaries to :
Verizon Communications Inc. :

**JOINT APPLICATION FOR A GENERAL RULE TRANSACTION
PURSUANT TO 52 PA. CODE § 63.324**

Frontier Communications Parent, Inc. (“Frontier Parent”) with its wholly-owned subsidiaries certified by the Pennsylvania Public Utility Commission (“Commission”) to provide regulated services in Pennsylvania (the “Frontier Pennsylvania Operating Subsidiaries”)¹ (together, “Frontier”)² and Verizon Communications Inc. (“Verizon”) with its wholly-owned subsidiary created for the merger France Merger Sub Inc. (“France Merger Sub”) (collectively, the “Joint Applicants”), respectfully request any required approvals to transfer control of Frontier to Verizon. This Joint Application is submitted pursuant to 66 Pa. C.S. § 1102(a), the Commission’s Policy Statement on parent-level mergers at 52 Pa. Code § 69.901, and the regulations at 52 Pa. Code §§ 63.321-63.325. Given that the transaction will result in a transfer of more than 20% of the direct or indirect control of Frontier and its subsidiaries, this Joint Application is made under the General Rule provisions of 52 Pa. Code § 63.324. The Joint Applicants request expeditious approval of this parent-level transaction, which will benefit the public. In support, the Joint Applicants state as follows:

¹ The subsidiaries of Frontier certificated by this Commission to provide regulated service in Pennsylvania are: Commonwealth Telephone Company, LLC d/b/a Frontier Communications Commonwealth Telephone Company; Frontier Communications of Breezewood, LLC; Frontier Communications of Canton, LLC; Frontier Communications of Lakewood, LLC; Frontier Communications of Oswayo River LLC; Frontier Communications of Pennsylvania, LLC; Citizens Telecommunications Company of New York, Inc.; CTSI, LLC d/b/a Frontier Communications CTSI, LLC; CTE Telecom, LLC d/b/a Frontier Communications CTE Telecom Company; and Frontier Communications of America, Inc.

² Where this Joint Application uses the term “Frontier,” it is intended as a general reference to Frontier Parent and all of its jurisdictional operating subsidiaries collectively.

I. INTRODUCTION

1. The Joint Applicants request approval of a proposed parent-level transaction where Verizon will acquire 100 percent ownership of Frontier pursuant to an Agreement and Plan of Merger dated September 4, 2024. As a result of this transaction, Frontier’s subsidiaries, including the Frontier Pennsylvania Operating Subsidiaries, will become wholly-owned indirect subsidiaries of Verizon.

2. Under 66 Pa. C.S. § 1103(a), the Commission “shall” approve the proposed transfer of Frontier’s jurisdictional operations to Verizon if it finds that the transaction “is necessary or proper for the service, accommodation, convenience, or safety of the public,” which occurs when the Commission finds, based on substantial evidence, that the transaction will result in an affirmative public benefit based on a weighing of net effects including any impact on competition.³

3. Here, the transaction will result in affirmative public benefits in several material respects, will not adversely affect competition, and should be approved.

4. As discussed in the Public Interest Statement the Joint Applicants submitted to the Federal Communications Commission (“FCC”) on October 11, 2024,⁴ this proposed transaction will build upon Verizon’s recognized leadership in operating and deploying cutting-edge networks and its commitment to prioritizing consumer choice while serving local communities.

5. Verizon possesses the financial standing and expertise necessary to further optimize Frontier networks. By leveraging its significant financial strength, capital resources, and unparalleled technology, tools, and training, Verizon will build on Frontier’s post-

³ *Popowsky v. Penn. Pub. Util. Comm’n*, 594 Pa. 583, 606, 937 A.2d 1040, 1054 (2007).

⁴ ITC-T/C-INTR2024-06719, Attachment 1, Exhibit C, Public Interest Statement, (filed Oct. 11, 2024), available at <https://www.fcc.gov/ecfs/document/1011130768207/1>.

bankruptcy efforts since April 2021 to invest in its network, deliver better service, increase customer value, and offer more choice to current Frontier customers in Pennsylvania. Enhancing consumer choice is a hallmark of Verizon's reputation, as evidenced by the company's demonstrated history of aggressively deploying next-generation broadband networks and services and offering differentiated pricing and service options, including low-income plans, content libraries, and personalized perks that result in award-winning customer satisfaction. Soon after closing the transaction, current Frontier customers will have the opportunity to access the various offerings and substantial benefits that Verizon customers receive today.

6. In addition, while Verizon is a national brand, the company knows that understanding and engaging in the local communities it serves is a key to being a top service provider. Customers in Frontier territories will see that commitment through Verizon's dedication to promoting education, small businesses, public safety, and cutting-edge new technologies in their communities. Importantly, the benefits resulting from the transaction will be achieved with no offsetting public interest harm, as Verizon and Frontier do not materially compete and have no plans to do so.

7. Verizon's resources and proven track record of excellence are particularly important for ensuring and improving Frontier's deployment of fiber networks and services. Frontier emerged from bankruptcy on April 30, 2021, with a new plan — Building Gigabit America™ — to expand and transform Frontier's fiber network to meet the rapidly increasing demand for data from both consumer and business customers. Frontier has deployed fiber to more than 100,000 locations in Pennsylvania since emerging from Chapter 11 bankruptcy. It has also invested in fiber deployment in its territories outside of Pennsylvania. This initiative required substantial capital investment, and Frontier has incurred a significant amount of

associated debt, which presents challenges for the company in both the short and long-term. For example, its debt level may place limitations on Frontier’s ability to obtain additional financing on favorable terms and may affect its flexibility to react to competitive and other changes in the industry or aggressively continue its fiber expansion after 2026. The transaction will allow Verizon to build on Frontier’s Building Gigabit America™ efforts and will result in substantial benefits for consumers beyond what Frontier would be able to provide by continuing as a standalone company.

8. For these reasons, and for the reasons set forth below, the proposed transaction is in the public interest and the Commission should expeditiously approve it.

II. DESCRIPTION OF THE JOINT APPLICANTS

A. Verizon Communications Inc. and France Merger Sub Inc.

9. Verizon is a publicly traded Delaware corporation with an address of 1095 Avenue of the Americas, New York, NY 10036. Verizon is a holding company that, acting through its subsidiaries, is one of the world’s leading providers of communications, technology, information, and entertainment products and services to consumers, businesses, and government entities. With a presence around the world, Verizon’s companies offer data, video, and voice services and solutions on its networks and platforms that are designed to meet its customers’ demand for mobility, reliable network connectivity, and security. In 2023, Verizon generated revenues of \$134 billion.

10. Verizon itself does not offer services in Pennsylvania and is not certificated by this Commission, but it is the ultimate parent of the following subsidiaries that are certificated to provide services regulated by this Commission:

- Verizon Pennsylvania LLC and Verizon North LLC are incumbent local exchange carriers (“ILECs”).

- MCImetro Access Transmission Services LLC, d/b/a Verizon Access Transmission Services (“MCImetro”) and XO Communications Services, LLC (“XO”) are competitive local exchange carriers (“CLECs”).
- MCI Communications Services LLC d/b/a Verizon Business Services, Verizon Long Distance LLC, and Verizon Select Services Inc. are interexchange carriers (“IXCs”).

This transaction will not affect the existing Verizon jurisdictional subsidiaries in Pennsylvania as they will continue to operate as they currently operate. Verizon also has unregulated operations in Pennsylvania that will continue.

11. France Merger Sub, a Delaware corporation, is a wholly-owned subsidiary of Verizon that was created for purposes of the transaction. Upon closing of the transaction Frontier Parent will be merged into France Merger Sub, with Frontier Parent being the surviving company and a wholly-owned subsidiary of Verizon.

B. Frontier Communications Parent, Inc.

12. Frontier Parent is a publicly traded Delaware corporation with a principal address at 1919 McKinney Avenue, Dallas, Texas 75201. Frontier Parent does not offer regulated services in Pennsylvania and is not certificated by this Commission. It is the holding company for the Frontier Pennsylvania Operating Subsidiaries and therefore is a key party involved in the transaction.

13. Frontier is a leading communications and technology provider and the largest pure-play fiber provider in the United States. With approximately 13,300 employees serving more than 3.1 million customers in 25 states as of December 31, 2023, Frontier operates more than 50 ILECs and a small number of CLECs nationwide. Regulated service is provided in Pennsylvania by the Frontier Pennsylvania Operating Subsidiaries. Through its IXC subsidiaries, Frontier also provides intrastate, interstate, and international long-distance service on a resale basis in each of the states where Frontier subsidiaries operate as ILECs. The

corporate structure of Frontier Parent and the Frontier Pennsylvania Operating Subsidiaries is depicted in the organization charts attached as *Exhibit A*.

14. Frontier, through its subsidiaries, provides communications services to urban, suburban, and rural communities in its service areas. It offers residential consumers, businesses, and wholesale customers a broad range of communications services — available as distinct products or in bundles — including data and Internet services, voice services, video services, access products, advanced hardware/network solutions, and other services. Frontier generated revenues of approximately \$5.8 billion in 2023.

C. Frontier Pennsylvania Operating Subsidiaries

i. Commonwealth Telephone Enterprises LLC

15. Commonwealth Telephone Enterprises LLC (“CTE”) is a Delaware limited liability company with its principal offices based in Dallas, Pennsylvania. CTE is a holding company with a 100% direct ownership interest in Commonwealth Telephone Company, LLC d/b/a Frontier Communications Commonwealth Telephone Company (“Frontier Commonwealth”) and a 100% indirect ownership interest in CTSI, LLC d/b/a Frontier Communications CTSI, LLC (“CTSI”) and CTE Telecom, LLC d/b/a Frontier Communications CTE Telecom Company (“CTE Telecom”), but it is not certificated by the Commission. CTE is a wholly-owned subsidiary of Frontier Parent.

ii. Commonwealth Telephone Company, LLC

16. Frontier Commonwealth (Utility Code: 310800) is a Pennsylvania corporation with its principal offices based in Dallas, Pennsylvania. It is a rural incumbent local exchange carrier (“RLEC”) authorized at A-310800 providing local exchange voice and related services and operates in all of Wyoming County and in portions of Berks, Bradford, Bucks, Carbon,

Chester, Columbia, Dauphin, Lackawanna, Lancaster, Lehigh, Luzerne, Lycoming, Monroe, Northampton, Schuylkill, Sullivan, Susquehanna, Tioga, and York Counties, across an area covering approximately 5,066.5 square miles. Frontier Commonwealth’s service territory includes predominately rural areas with approximately 59,954 access lines in 79 exchanges in Pennsylvania.⁵

iii. Frontier Communications of Breezewood, LLC

17. Frontier Communications of Breezewood, LLC (“Frontier Breezewood”) (Utility Code: 310400) is a Pennsylvania corporation with its principal offices based in New Holland, Pennsylvania. It is an RLEC authorized at A-310400 providing local exchange stand-alone voice and related services and operates in portions of Bedford and Fulton Counties across an area covering approximately 313.9 square miles. Frontier Breezewood’s service territory includes predominantly rural areas with approximately 1,564 access lines in four exchanges in Pennsylvania.

iv. Frontier Communications of Canton, LLC

18. Frontier Communications of Canton, LLC (“Frontier Canton”) (Utility Code: 310550) is a Pennsylvania corporation with its principal offices based in New Holland, Pennsylvania. It is an RLEC authorized at A-310550 providing local exchange stand-alone voice and related services, and operates in portions of Bradford, Lycoming, and Tioga Counties in an area covering approximately 256.6 square miles. Frontier Canton’s service territory includes predominantly rural areas with approximately 1,334 access lines in two exchanges in Pennsylvania.

⁵ All Frontier Pennsylvania Operating Subsidiaries’ access line counts are as of June 30, 2024.

v. Frontier Communications of Lakewood, LLC

19. Frontier Communications of Lakewood, LLC (“Frontier Lakewood”) (Utility Code: 311750) is a Pennsylvania corporation with its principal offices based in New Holland, Pennsylvania. It is an RLEC authorized at A-311750 providing local exchange stand-alone voice and related services, and operates in portions of Schuylkill County across an area covering approximately 30.2 square miles. Frontier Lakewood’s service territory includes predominantly rural areas with approximately 300 access lines in one exchange in Pennsylvania.

vi. Frontier Communications of Oswayo River LLC

20. Frontier Communications of Oswayo River LLC (“Frontier Oswayo”) (Utility Code: 312600) is a Pennsylvania corporation with its principal offices based in New Holland, Pennsylvania. It is an RLEC authorized at A-312600 providing local exchange stand-alone voice and related services and operates in portions of McKean and Potter Counties across an area covering approximately 182.5 square miles. Frontier Oswayo’s service territory includes predominantly rural areas with approximately 500 access lines in three exchanges in Pennsylvania.

vii. Frontier Communications of Pennsylvania, LLC

21. Frontier Communications of Pennsylvania, LLC (“Frontier PA”) (Utility Code: 311250) is a Pennsylvania corporation with its principal offices based in New Holland, Pennsylvania. It is an RLEC authorized at A-312500 providing local exchange stand-alone voice and related services, and operates in portions of Berks and Lancaster Counties across an area covering approximately 164.8 square miles. Frontier PA’s service territory includes predominately rural areas with approximately 4,853 access lines in four exchanges in Pennsylvania.

viii. Citizens Telecommunications Company of New York, Inc.

22. Citizens Telecommunications Company of New York, Inc. (“Citizens NY”) (Utility Code: 310174) is a New York corporation with its principal offices based in Rochester, New York. In Pennsylvania, it is an ILEC authorized at A-310174 providing local exchange stand-alone voice and related services and operates in portions of Susquehanna County across an area covering approximately 45.5 square miles. Citizens NY’s Pennsylvania service territory includes predominately rural state border areas in Pennsylvania.

ix. CTSI, LLC d/b/a Frontier Communications CTSI, LLC

23. CTSI (Utility Code: 311095) is a Pennsylvania corporation with its principal offices based in Dallas, Pennsylvania. It is a facilities-based CLEC offering bundled local, long-distance telephone, vertical services, DSL, and Internet access in the service territories of Verizon Pennsylvania, LLC, Verizon North, LLC, and Brightspeed of Pennsylvania (formerly United Telephone Company of Pennsylvania d/b/a CenturyLink), and an IXC reseller in Pennsylvania pursuant to Certificates of Public Convenience issued at A-311095. CTSI provides competitive local exchange service to customers with approximately 15,195 access lines in Pennsylvania.

x. CTE Telecom, LLC d/b/a Frontier Communications CTE Telecom Company

24. CTE Telecom (Utility Code: 311225) is a Pennsylvania corporation with its principal offices based in Dallas, Pennsylvania. It is an IXC licensed to provide resold intrastate long-distance service in Pennsylvania pursuant to a Certificate of Public Convenience issued by the Commission at A-311225.

xi. Frontier Communications of America, Inc.

25. Frontier Communications of America, Inc. (“Frontier America”) (Utility Code: 310376) is a Delaware corporation with its principal offices at 1919 McKinney Ave, Dallas Texas. It is an IXC licensed to provide intrastate long-distance service and interstate long distance service on a resale basis in Pennsylvania pursuant to a Certificate of Public Convenience issued by the Commission at A-310376.

III. CONTACT INFORMATION

A. Verizon

26. The name and address of Verizon’s attorney in this matter is as follows:

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Verizon
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B. Frontier and Frontier Pennsylvania Operating Subsidiaries

27. The names and address of the attorneys for Frontier and the Frontier Pennsylvania Operating Subsidiaries in this matter are as follows:

Norman J. Kennard, Esquire
Bryce R. Beard, Esquire
Eckert Seamans Cherin & Mellott, LLC
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Harrisburg, PA 17101
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IV. PROPOSED TRANSACTION

28. On September 4, 2024, Frontier and Verizon entered into an Agreement and Plan of Merger pursuant to which Verizon will acquire 100 percent of Frontier and its subsidiaries, including the Frontier Pennsylvania Operating Subsidiaries.⁶ The transaction will occur at the parent level, through the merger of Frontier Parent with a new direct wholly-owned subsidiary of Verizon, France Merger Sub, created for the purposes of the transaction. Following this transaction, Frontier Parent will be the surviving entity and will become a wholly-owned, direct subsidiary of Verizon. Accordingly, the Frontier Pennsylvania Operating Subsidiaries will become indirect, wholly-owned subsidiaries of Verizon. As this transaction is occurring at the holding company level, there is no “merger” or “transfer” of any Pennsylvania public utility operations or assets. The change in indirect ownership will be seamless for Frontier’s Pennsylvania customers. Existing operational, contractual, and service arrangements between the Frontier Pennsylvania Operating Subsidiaries and their customers and other providers will continue in place with the closing of the transaction. The Pennsylvania-specific corporate structure before and after the proposed transaction is depicted in the charts attached to this Joint Application as *Exhibit A*.

29. Upon the completion of the transaction, the Frontier Pennsylvania Operating Subsidiaries will retain all of their various authorities to offer incumbent and competitive local

⁶ A copy of the Agreement and Plan of Merger can be found at:
<https://www.sec.gov/Archives/edgar/data/732712/000119312524213664/d828371dex21.htm>.

exchange and interexchange services, eligible telecommunications carrier (“ETC”) designations, and all other applicable regulatory certifications.

30. On May 9, 2024, the Commission approved a Joint Petition for Approval of Settlement between the Office of Consumer Advocate, the Office of Small Business Advocate, and Frontier Commonwealth resolving a formal complaint relating to service quality issues within Frontier Commonwealth’s ILEC service territory. The settlement was made without admission of liability and contained a number of continuing obligations and commitments by Frontier Commonwealth. Following the closing of the transaction, this settlement will remain binding and, to the extent there are obligations or commitments remaining at that time, Verizon will honor and Frontier Commonwealth, as a wholly-owned subsidiary of Verizon, will continue to comply with its requirements.

V. STANDARD OF REVIEW

31. Under 66 Pa. C.S. § 1103(a), the Commission “shall” approve the proposed transfer of Frontier’s jurisdictional operations to Verizon if it finds that the transaction “is necessary or proper for the service, accommodation, convenience, or safety of the public.”

32. According to the Pennsylvania Supreme Court, this standard is satisfied when the Commission finds, based on substantial evidence, that the proposed transaction will result in an affirmative public benefit.⁷ “In conducting the underlying inquiry, the Commission is not required to secure legally binding commitments or to quantify benefits where this may be impractical, burdensome, or impossible; rather, the PUC properly applies a preponderance of the evidence standard to make factually-based determinations (including predictive ones informed

⁷ *Popowsky v. Penn. Pub. Util. Comm’n*, 594 Pa. 583, 606, 937 A.2d 1040, 1054 (2007). “Substantial evidence has been defined as the amount of relevant evidence which a reasonable person would accept as adequate to support a determination.” *Id.*

by expert judgment)” to determine whether, on balance, the transaction will result in affirmative public benefit.⁸

33. The Pennsylvania Supreme Court has noted that assessment of “competitive impact is a substantial component of a rational net public benefits evaluation in the merger context,” but that it must be balanced along with the other probable effects of the merger as part of the “weighing and balancing process.”⁹

34. The Commission’s regulations state that its review of a General Rule merger in the telecommunications industry will include determining “that the transaction will affirmatively promote the service, accommodation, convenience, or safety of the public in some substantial way as required by State law” and “is necessary or proper for the service, accommodation, convenience, or safety of the public,” and will address “the impact of the transaction on competition.” 52 Pa. Code § 63.324(d)(11) and (h).

VI. PUBLIC INTEREST CONSIDERATIONS

A. The Proposed Transaction Will Provide Affirmative Public Benefit

35. The proposed transaction will provide affirmative public benefit and should be approved under the applicable standard of review.

36. Verizon possesses the financial standing and expertise necessary to optimize Frontier networks to build on Frontier’s post-bankruptcy efforts since April 2021 to deliver better service, increase value, and offer more choice to current Frontier customers. Following the transaction, customers in Frontier territory will also benefit from Verizon’s differentiated pricing and service options, including low-income plans, content libraries, and personalized

⁸ *Id.* at 611.

⁹ *Id.* at 610.

perks that result in award-winning customer satisfaction. Verizon will bring its commitment to the local communities it serves through its dedication to promoting education, small businesses, public safety, and cutting-edge technologies in their communities. The affirmative public benefits of the proposed transaction are described in more detail as follows.

i. Absent This Transaction, Frontier Faces Financial And Other Challenges That Risk Its Continued Success

37. Frontier faces obstacles to its continued growth and long-term competitiveness. After emerging from its bankruptcy in 2021, Frontier shifted to a fiber-first strategy (Building Gigabit America™) and targeted passing 10 million locations with fiber by 2026. Frontier is currently on track to meet this goal — it has passed 7.2 million locations as of August 2024, including more than 100,000 added fiber locations in Pennsylvania — but it has incurred a significant amount of indebtedness as a result.

38. From 2021 through June 2024, Frontier invested \$4.1 billion upgrading and expanding its fiber network and will need to expend more in 2025 and 2026 to complete its plans to pass 10 million locations. As of June 30, 2024, Frontier had debt of approximately \$12 billion, of which approximately \$11 billion was secured. In 2027, \$1.35 billion of debt comes due and debt maturities then increase to \$3.64 billion in 2028 and average \$2.2 billion per year thereafter through 2031. In addition to ongoing principal payments, Frontier incurs interest expense of approximately \$800 million (7.0%) per year on the debt balances outstanding in each period.

39. These debt obligations may place a significant strain on Frontier's ability to make additional investments in its network going forward, including future investment in Pennsylvania beyond the expenditures Frontier has already committed to. Specifically, its current debt level will impact Frontier's ability to obtain additional debt or equity financing on favorable terms.

This will make it harder for Frontier to keep investing in fiber at the level necessary to compete and meet the needs of its customers; particularly, it places Frontier at a competitive disadvantage with respect to competitors with less debt or competitors that are able to obtain financing on more favorable terms.

40. In addition to its financial challenges, Frontier also faces challenges competing against a growing number of communications service providers. Often, these competitors are better resourced, have stronger brand recognition, and provide more service offerings than Frontier. Many of Frontier's competitors are not subject to the same level of regulation and have lower cost structures, which allows them to offer lower prices than Frontier for extended periods of time.

41. Moreover, many competitors have the resources to make meaningful, significant financial investments in the communities in which they operate that extend beyond providing services to social impact. Cable companies are Frontier's main competitors; these entities are able to bundle their service offerings in easy packages at competitive price points and provide customers with home broadband and mobile wireless service, which Frontier does not offer.

42. Frontier's lack of bundling mobile wireless service places it at a competitive disadvantage. The ability to offer Frontier service in combination with Verizon mobile wireless service post-transaction will benefit Frontier's existing customers and enhance the competitiveness of the Frontier assets.

43. Navigating these myriad challenges to its future competitiveness, in early 2024 Frontier undertook a formal and comprehensive review of all opportunities, including mergers and business opportunities. After an extensive due diligence process regarding a number of issues germane to Frontier's business operations, financial condition, and future competitiveness

— Frontier determined that the transaction presented it with the best opportunity for its customers and other stakeholders. Specifically, Frontier determined the transaction will allow the continuation of Frontier’s fiber deployment strategy and will result in better service options for Frontier customers.

ii. The Transaction Will Benefit Frontier Customers

44. As detailed below, Verizon’s proposed acquisition of Frontier will produce substantial benefits for consumers by bringing its resources and award-winning industry expertise to bear in (1) enhancing Frontier’s network, (2) expanding consumer choices, including the availability of a low-income broadband plan and bundled service options, and (3) increasing ties with the local communities it supports.

a. The Transaction Will Strengthen And Improve Frontier’s Network

45. Over approximately the last four years, Frontier has invested in upgrading and expanding its fiber network. The transaction will integrate Frontier’s network into Verizon’s leading portfolio of assets, including its best-in-class Fios services.

46. As a result, Frontier’s 2.2 million fiber subscribers across its footprint, will join Verizon’s approximately 7.4 million Fios customers in nine states and Washington, D.C., thereby increasing Verizon’s fiber footprint across the country and expanding the company’s delivery of premium broadband services.

47. Verizon is managerially, technically, and financially well-qualified to complete the acquisition, assume ownership and control of the Frontier Pennsylvania Operating Subsidiaries, and operate Frontier’s network. Verizon’s subsidiaries are among the world’s leading providers of communications, technology, information, and entertainment products and services to consumers, businesses, and government entities. Verizon has an established track

record of delivering best-in-class in-home broadband service, including Fios and 5G Home broadband.

48. With a market capitalization of approximately \$185 billion,¹⁰ and revenues of approximately \$134 billion and free cash flow of \$18.7 billion in 2023,¹¹ Verizon has the financial qualifications to undertake the transaction and effectively operate and invest in the Frontier operations and assets in Pennsylvania.

49. As noted above, Frontier is well on its way to completing its plan to build out its fiber network to 10 million homes by 2026. But Frontier does not have funding in place for further investment or additional fiber buildouts beyond that point. The transaction will ensure that Frontier’s current planned buildout is completed (if not otherwise completed by Frontier prior to closing) and provide financial resources to consider future fiber deployment.

50. Importantly, the transaction will not impact either company’s plans under NTIA’s and the Pennsylvania Broadband Development Authority’s Broadband Equity, Access, and Deployment (“BEAD”) program — both companies are evaluating BEAD and other broadband subsidy opportunities independently of one another and, following closing, Verizon will honor all commitments Frontier has made in any broadband grants or deployment programs, including the FCC’s Rural Digital Opportunity Fund and BEAD.¹²

¹⁰ See Verizon Communications Inc., STOCK ANALYSIS, <https://stockanalysis.com/stocks/vz/market-cap/> (last visited Oct. 10, 2024).

¹¹ Verizon finishes 2023 with strong cash flow and wireless customer growth, VERIZON (Jan. 23, 2024), <https://www.verizon.com/about/news/verizon-finishes-2023-strong-cash-flow-and-wireless-customer-growth?msocid=250672210de161c32c8266f40c71601b> .

¹² Frontier has received in Pennsylvania one UHSB (Unserved High-Speed Broadband Funding Program) grant from the Commonwealth Financing Authority and three CPF (Capital Projects Fund) grants from the Pennsylvania Broadband Development Authority to expand fiber to a total of 1,277 grant eligible locations.

51. In managing the improved network that will come from this transaction, Verizon will utilize its innovative tools and technology to further improve Frontier's network reliability by deploying systems that aim to identify network problems on a prospective basis and resolve them rapidly if they do occur.

52. From detection to diagnosis, Verizon uses performance-based alerting in its network to trigger proactive action and to avoid or minimize customer impact. These tools also assess changes in the network with a common system that identifies whether the second path on a diverse network is available before performing maintenance on the first and warns of potential service impact, thereby providing further protection for consumers. When problems are detected, Verizon employs advanced capabilities to enable remote fixes.

53. These strategies allow for increased agility and flexibility, improved scalability of equipment, enhanced performance through optimized network bandwidth, and the retirement of legacy resources resulting in reduced energy demand, reduced network downtime, and higher network reliability.

54. Verizon's Network Reliability Program comprehensively and proactively addresses key infrastructure functions that support its network centers. Under this program, Verizon performs monthly and annual tests and routines on back-up power systems, including batteries and generators, to ensure they are operational for emergency situations. The Network Reliability Program also includes ensuring proper network alarms and surveillance, circuit diversity, and failover testing.

55. Another critical tool used by Verizon, particularly considering recent natural disasters and population-displacing events, is its Business Continuity & Event Management Framework. Based on an all-hands approach and supporting a set of core values relevant to

disasters, Verizon maintains a plan for its copper and fiber facilities regarding continuity of operations and continuity of management, including alerting lists and alternate temporary locations deemed necessary to facilitate the installation, maintenance, and restoration of critical telecommunications and information services under conditions ranging from local emergencies to more widespread disasters. Importantly, this Framework is benchmarked against Federal Emergency Management Agency and Occupational Safety and Health Administration standards to ensure that it remains current and incorporates the latest updates. Moreover, given the proximity of Verizon's existing network and operations teams for its ILEC service areas in Pennsylvania, New York, and Massachusetts, Verizon will be well-positioned to deploy resources and respond to natural disasters and other major disruptions in the Frontier Pennsylvania territories.

56. Verizon also maintains a comprehensive and robust safety program applied to both copper and fiber facilities that proactively addresses work environments and their potential hazards. Verizon's Environment, Health, and Safety department has earned ISO 14001 (environmental) and 45001 (health and safety) certifications for its environment, health, and safety management system.

57. Verizon's commitment to safe and environmentally responsible work practices extends to the suppliers who provide services and products to Verizon, who must go through a robust assessment and screening process.

58. Verizon uses technology and tools that allow for end-to-end viewing of the network, which enables real-time network and equipment troubleshooting. The tools also enable Verizon's technicians to have accurate information about the history of problems that exist and how to address them.

59. Verizon has tools that allow a fiber specialist to automatically run diagnostic tests from centralized network locations all the way to the customer's premises to identify and address the most common causes of troubles. One innovative tool supports Verizon customer service agents while the agent is talking to a customer. The tool detects key words in the customer's description of the issue and automatically runs diagnostic tests to assist the agent in determining the best course of action to resolve the customer's issue. Another tool allows Fios field technicians to measure the Wi-Fi signal within a customer's premises for proper placement of the router within the customer's home, as well as to identify areas that may need extenders to boost strength and coverage.

60. Verizon also deploys technology that enables it to collaborate with the Fios customer to diagnose and fix troubles at the customer's premises using the customer's smartphone camera. The camera allows Verizon's specialists to look at the customer's network and equipment connections from a remote location and guide the customer to fix the problem, if possible. Customers appreciate the ability to work with an agent to resolve service matters immediately, rather than having to schedule an appointment for a technician to come to the premises at a later time.

61. Verizon also offers best-in-class training for its technicians, including instructor-led courses that are aligned with industry best practices for broadband builds and maintenance of facilities. The program includes 13 mobile classroom labs that can be moved to where learners are located and employs an "experiential learning approach," allowing learners to develop skills with maximum retention by performing the job during training that mirrors the on-the-job experience in detailed learning laboratories.

62. Verizon’s Reliability Matters training aims to train employees to ensure they have all the resources they need before interacting with the network, to pause during network activity to ensure actions are going according to plan, and to confirm once complete that the intended result was achieved.

63. Finally, network installation standards and requirements involve an annual review of Verizon Installation Procedure requirements, training on the Installation Procedure, and quality audits of installation and engineering jobs.

64. The fiber services of both Verizon and Frontier are known for their 99.9% reliability and high speeds. The technology that Verizon brings to its network results in fewer customer calls regarding service issues, and Verizon’s tools ensure that more problems get resolved without dispatches.

65. Following the close of the transaction, Verizon will conduct an in-depth audit of Frontier’s fiber and copper networks and will implement some or all the measures described above, as needed, to align, to the extent necessary, the networks with Verizon’s standards, which will benefit customers in the Frontier Pennsylvania footprint.

b. The Transaction Will Extend Verizon’s Award-Winning Customer Service And Premium Offerings To Frontier’s Customers And Provide Continuity For Frontier’s Employees

66. In addition to service reliability, the transaction will extend Verizon’s award-winning customer service and premium offerings to Frontier’s customers. Verizon’s broadband services receive top ratings across multiple customer surveys.¹³ For example:

- Verizon won JD Power awards (directly compared against Frontier) for residential Internet service provider customer satisfaction.¹⁴

¹³ See, e.g., Kelly Huh, Verizon Fios Internet Review: Customers Call It “Reliable” and “Smooth”, REVIEWS.ORG (Oct. 17, 2024) <https://www.reviews.org/internet-service/verizon-fiosinternet-review/>.

¹⁴ Can You Reach Me Now? Wireless Internet Providers Certainly Can and with High Levels of Satisfaction, J.D.

- For the period through September 2024 for the East region, Verizon ranked first in customer satisfaction for residential Internet service and cable TV service.¹⁵
- Verizon was named the best gaming ISP for 2024 and is a ten-time winner of the fastest internet service provider award by PC Magazine.¹⁶
- Open Signal ranked Verizon Fios first for upload speed, download speed, service quality, and video quality.¹⁷
- Verizon Fios specifically was named to the 2025 Forbes Best Customer Service list, which honors the top 300 companies and brands that customers say best serve their needs across a variety of customer service categories.¹⁸
- Verizon is a finalist for the 2024 Reuters Events Customer Service Organization of the Year award, which honors an organization that has set new standards in customer service by implementing groundbreaking initiatives aimed at improving customer satisfaction and loyalty.¹⁹

The transaction will enable current Frontier customers, as well as any new customers in the Frontier Pennsylvania footprint, to enjoy this superior level of service going forward.

67. Frontier has approximately 250 employees in Pennsylvania. The transaction will provide continuity for Frontier’s employees, including the technicians that work on Frontier’s network and provide customer service support in its Pennsylvania service areas. Verizon has longstanding relationships with the Communications Workers of America and the International Brotherhood of Electrical Workers, each of which represents employees at Verizon and Frontier. Verizon will honor Frontier’s collective bargaining agreements covering Frontier’s unionized

Power Finds, J.D. POWER (Oct. 10, 2024), <https://www.jdpower.com/business/press-releases/2024-us-residential-internet-service-providersatisfaction-study>.

¹⁵ Satisfaction Higher among Live TV Streaming Customers, J.D. Power Finds, J.D. POWER (Sept. 26, 2024), <https://www.jdpower.com/business/press-releases/2024-us-television-serviceprovider-satisfaction-study>.

¹⁶ Eric Griffith, The Best Gaming ISPs for 2024, PC MAG (Dec. 14, 2023), <https://www.pcmag.com/articles/the-best-gaming-isps-for-2024>.

¹⁷ Francesco Rizzato & Robert Wyrzykowski, USA Fixed Broadband Experience Report May 2023, Opensignal (May 23, 2023), <https://www.opensignal.com/2023/05/23/usa-fixedbroadband-experience-report-may-2023>.

¹⁸ Forbes 2025 Best Customer Service <https://www.forbes.com/lists/best-customer-service/>.

¹⁹ <https://events.reutersevents.com/customer/awards>.

workforce. Verizon has demonstrated experience of working with these unions that represent employees at both companies.

68. For employees who are not represented by unions, Verizon has agreed, for no less than one year following the merger effective date, to maintain and provide the following: (i) base salary or wage rate, target annual cash bonus or commission-based opportunity, and target equity award opportunity, in each case, that are no less favorable than what was provided by Frontier; (ii) qualifying severance benefits for qualifying separations that are no less favorable than the severance benefits in place at Frontier; and (iii) benefits plans and arrangements that are no less favorable in the aggregate than what was provided by Frontier (other than defined benefit pension, supplemental retirement, post-retirement medical and life, and deferred compensation benefits).

c. Consumers in the Frontier Footprint Will Enjoy Low-Cost Options, Bundled Discounts, Personalized Choice, And Added Features

69. Following the close of the transaction, Verizon will offer its service plans to current Frontier customers, including customers and consumers in Pennsylvania. Critically, this includes a national low-income broadband plan and bundled service options not offered by Frontier today. Post-transaction, consumers in the Frontier territories will have access to the full range of Verizon service plans, which provide a variety of speed and pricing choices for next-generation services. Additional service plan options that will be available to consumers in the Frontier footprint following the transaction are detailed below.

70. Verizon offers a voluntary, nationwide low-income pricing option, which greatly enhances the affordability of home internet service for eligible customers.²⁰ This option —

²⁰ Frontier offers federal Lifeline broadband service discounts.

known as Verizon Forward²¹ — was launched in 2020 to help increase access to affordable and reliable broadband for economically disadvantaged consumers, and Verizon continues to offer the program to those who qualify.²²

71. Post-transaction, Verizon will offer Verizon Forward to customers in Frontier’s Pennsylvania service areas. In light of the sunset of federal funding for the Affordable Connectivity Program (“ACP”), which helped connect nearly twenty-three million households across the country, Verizon announced updates to Verizon Forward under which select plans are currently available for as low as \$20 a month. Plans include:

- Fios: 300 Mbps at \$20 per month for eligible residential customers who qualify for Verizon Forward and Lifeline.
- 5G Home / LTE Home: \$20 per month for Verizon Forward customers who combine in-home wireless internet service with postpaid mobile unlimited plan that includes 5G Ultra Wideband.

These offerings stand to benefit eligible consumers in the Frontier operating territories in Pennsylvania by providing high quality broadband service at a lower cost.

72. Unlike many other providers’ home internet assistance programs, which limit subscribers to slower speeds and fewer features than those offered to the general public, Verizon Forward offers subscribers the same service available to all customers. Eligible subscribers can choose the plan that works best for them and apply Verizon Forward’s discounts and savings — all with no equipment charges or annual contracts.

²¹ How Verizon Forward Works, Verizon, <https://www.verizon.com/discounts/verizon-forward/> (last visited Oct. 10, 2024).

²² New York State issued a report last month that showed Verizon is the only major provider voluntarily offering a low-income plan. *See* DPS Issues Report on Low-Income Internet Accessibility in New York State, NEW YORK DEPARTMENT OF PUBLIC SERVICE (Sept. 24, 2024), <https://dps.ny.gov/news/dps-issues-report-low-income-internet-accessibility-new-york-state>.

73. Consumers in the Frontier Pennsylvania territories will be able to further personalize their plans to best suit their needs. Verizon offers a variety of advanced, next-generation services — including Verizon mobility and fixed in-home broadband plans — that can be tailored or combined. For example, Verizon’s myHome allows new and existing customers to select the plans that provide the best match for their requirements based on service and price. This feature is always available to Verizon customers, meaning customers can change their plan’s components and features from month to month. The myHome program also offers a variety of Verizon and third-party subscription offerings at a discount compared to retail rates.

74. Following the transaction, consumers in the Frontier Pennsylvania territories will benefit from an opportunity to select the optimum combination of services for their individualized needs from an expanded menu of services. As a result, they will be able to enjoy the enhanced consumer choice and convenience that Verizon customers enjoy today.

75. Consumers in the Frontier Pennsylvania territories will also benefit from consistent pricing. Frontier has commonly offered promotions that provide an incentive or low introductory rate for new customers for a specified period. In contrast, Verizon does not engage in extensive promotional pricing; rather, customers pay the same rates whether they are a new customer or an existing one.

76. Additionally, as noted above, Frontier does not have a mobile wireless offering and is thus at a competitive disadvantage to companies with more robust bundling options, including cable companies that offer mobile services through mobile virtual network operator agreements. Verizon’s discounted bundles of home broadband, mobility, and other services will be extended to Frontier customers and any new customers in the Frontier territories, resulting in significant savings for these customers.

77. For example, current Verizon customers with a qualifying Fios Home Internet plan can receive select 5G mobile plans for as little as \$35 per line per month. Similarly, customers with a qualifying Verizon wireless mobile plan can receive Fios Home Internet starting for as low as \$35 per month.²³ Verizon customers can save up to \$300 a year by bundling their in-home broadband and mobile wireless service plans.²⁴ Verizon offers one of the highest-rated Internet and mobile bundles, according to industry experts.²⁵

78. Frontier customers and any new customers in the Frontier territories will benefit from added amenities and expanded choices. For example, several of Verizon's Fios fiber plans offer certain forms of Wi-Fi for free and exclusive third-party protection services, such as Cloud and Verizon Home Device Protect. In addition, depending on their plan, Frontier customers will receive better content choices, including Apple One; a Disney bundle including Disney +, Hulu, and ESPN +; Netflix; Max; YouTube premium; and Walmart + membership.²⁶

79. Finally, because the proposed change in ownership will occur at the holding company level and does not require any customer migration, the transaction will be seamless to Frontier's customers.²⁷ Customers will continue to receive high-quality communications services without interruption, and by the nature of the transaction, Frontier will continue to honor all of its contracts, including wholesale contracts with other providers and retail contracts with business customers.

²³ See Mobile + Home Discount (Fios) FAQs, VERIZON, <https://www.verizon.com/support/mobile-home-discounts-faqs/#bothsvcs> (last visited Sept. 29, 2024).

²⁴ *Id.*

²⁵ Best Internet and Mobile Bundles for October 2024, CNET, <https://www.cnet.com/home/internet/bestinternet-and-mobile-bundles/> (last visited Oct. 31, 2024).

²⁶ See Stevie Rosignol-Cortez, How Verizon is Bundling Streaming Services to Win Customers, BARRON'S (Oct. 11, 2024), <https://www.barrons.com/articles/verizon-stock-ceo-netflix-maxdisney-bundle-2900fb51>.

²⁷ Verizon is acquiring all of Frontier and thus all of Frontier's back-office systems. Not having to transition customers to new systems at closing will facilitate a seamless experience for Frontier customers.

iii. Verizon Has A Track Record Of Local Commitment

80. Verizon is a national company, but it has succeeded by ensuring that its focus remains local. This transaction will bring Verizon more directly into numerous additional communities across Pennsylvania. As Verizon acquires Frontier's operations, it will bring its local focus and track record of good corporate citizenship and investing in the communities in which it operates to wireline services and potential customers in the Frontier Pennsylvania territories.

81. Specifically, Verizon regularly invests in education and small business in the communities in which it operates, with a focus on bridging the digital divide and supporting the public safety community. Verizon has also developed numerous innovative public safety tools to benefit these communities not only in times of crisis, but also to address day-to-day public safety challenges.

82. Verizon has invested millions in these areas in a variety of programs to create a better environment for its customers and employees. It plans to follow this practice in the communities within the Frontier footprint post-transaction. For instance, to help bridge the digital divide in education, Verizon works with nonprofit partners and edtech leaders on the Verizon Innovative Learning initiative with a goal of reaching 10 million youth with digital skills training by 2030. Since 2012, Verizon has enabled more than 600 Title I schools and over 40 colleges and universities to offer new and engaging learning experiences by providing technology-integrated curriculum, extensive support for educators and administrators, emerging technologies, and free internet access. This program includes four Verizon Innovative Learning Schools and three Verizon Innovative Learning Labs in Pennsylvania, accounting for over \$10 million per year in support to the communities.

83. Verizon has expanded access to its education programs to all educators nationwide through free access to immersive applications for any device and tech-focused learning resources on the portal, Verizon Innovative Learning HQ. Verizon Innovative Learning has reached more than 7 million students and provided over \$1 billion in market value to support STEM education.

84. Verizon also offers Small Business Digital Ready,²⁸ a free online curriculum for small business owners with courses, expert coaching, peer networking and exclusive incentives and grant opportunities. Verizon understands that small businesses are truly the lifeblood of our communities and we also know technology plays an increasingly critical role in small business success. That’s why in 2020 Verizon announced a 10-year commitment to support one million small businesses by 2030 with resources to help them thrive in the digital economy — with a specific focus on supporting diverse businesses. As part of the initiative, Verizon has partnered in Pennsylvania with Local Initiatives Support Corporation (“LISC”), the nation’s largest community development organization, to provide active Digital Ready users the opportunity to apply for grant funding. In Pennsylvania, since 2021, Verizon with its partners at LISC have awarded \$10,000 in grants to 51 small businesses, and more than 7,500 small businesses are registered in Verizon’s Small Business Digital Ready program.

85. In addition, Verizon partners with many community organizations and chambers of commerce to promote access to small businesses resources. In Pennsylvania, Verizon provided a \$50,000 Community Enhancement Award to the African American Chamber of Commerce of Pennsylvania, New Jersey and Delaware and the Greater Philadelphia Hispanic

²⁸ Digital Ready, Verizon <https://digitalready.verizonwireless.com/> (last visited Oct. 16, 2024).

Chamber of Commerce, which enables these chambers to host a technology series focused on providing tools for their business members to succeed in today's digital age.

86. Another key initiative is a formal volunteer program for employees. This effort is part of a commitment by Verizon's leadership to volunteer over 2.5 million hours to support communities across the country. Since 2019, Verizon employees have volunteered over 2.4 million hours, including nearly 104,000 hours in Pennsylvania, towards a goal of 2.5 million by 2025. These volunteer initiatives empower employees to deliver meaningful societal impact in the communities where they live, work and play.

87. Verizon has also developed numerous tools to partner with cities and personnel in emergency situations. THOR is Verizon Frontline's Tactical Humanitarian Operations Response, a mobile, private Verizon 5G Ultra Wideband and mobile edge compute rapid response command center vehicle designed to provide public safety agencies with high-quality communications and applications under nearly any conditions. The Verizon Rapid Response Connectivity Unit is a six-foot long, two-and-a-half-foot wide asset designed to be deployed by one person in fewer than 15 minutes. It is capable of delivering secure and reliable voice and internet service for first responders under austere conditions.

88. Lastly, Verizon Frontline's Mobile Connectivity Agile Vehicle is a modified electric motorcycle capable of providing first responders with mission-critical communications capabilities when operating in areas that traditional vehicles and larger deployable assets cannot reach.

89. These efforts resulted in Verizon being named to Fast Company's prestigious list of the World's Most Innovative Companies of 2024. Verizon's award was in the Corporate Social Responsibility category for its commitment to the development and use of innovative new

technology like drones, robotics, and more to help maintain mission-critical communications during disaster response operations.

90. Major events also enable Verizon to showcase technology deployments and leverage the use of technology in a manner that creates a superb experience for the cities and attendees of these events. For example, Verizon invested over \$100 million to enhance network communications surrounding SoFi Stadium and the immediate vicinity during the Super Bowl in 2022 held in Inglewood, California. This included a rollout of 5G Ultra Wideband as well as more than 160 small cells, four macro cells and 24 in-building cells.

B. The Proposed Transaction Will Not Adversely Impact Competition

91. The proposed transaction will not adversely affect competition. 52 Pa. Code § 63.324(d)(11)(iii). None of the Frontier ILEC territories in Pennsylvania to be acquired by Verizon in the transaction overlap with the existing ILEC exchanges of Verizon Pennsylvania LLC and Verizon North LLC. Due to the complementary nature of their ILEC geographic service areas as depicted on the map attached as *Exhibit B*, the Frontier and Verizon ILECs do not compete for customers in the provision of wired mass-market services within those areas and they do not have plans to do so materially in the future.²⁹

92. Further, the financial strength, product depth, capital resources, and unparalleled technology, tools and training that Verizon will bring to the Frontier operating territories will enhance competition in the region and increase the choices available to customers in those areas.

93. Frontier's CLEC operations outside of the ILEC territories do not change this analysis. Frontier has owned one CLEC in Pennsylvania, CTSI, since it completed the

²⁹ A review and investigation of the Broadband Data Collection data filed by each company shows *de minimis* broadband serviceable locations at the edges of their respective territories where both Frontier and Verizon show availability of fiber-to-the-home consumer services (less than 30 in Pennsylvania).

acquisition of CTSI in March 2007. CTSI operates copper and has recently deployed some fiber facilities in Verizon’s ILEC service areas in the Scranton and Wilkes-Barre areas of Pennsylvania. CTSI has approximately 15,195 lines in total, a minimal presence in the Scranton and Wilkes-Barre areas and the state as a whole.

94. Verizon’s CLECs, MCImetro and XO, serve only enterprise and government customers in Pennsylvania and do not serve residential or mass market consumers. The market for business services is highly competitive and has been for many years, so the transaction will have no significant impact on the level of competition.³⁰

95. The few overlaps of fiber facilities for non-mass-market uses, such as Verizon’s deployment of fiber facilities to support its wireless network and to serve a small number of business customers, are not related to fiber-to-the-premises facilities serving everyday residential customers.

96. Frontier does not have a mobile wireless offering. As discussed above, after the transaction is complete, Verizon will be able to offer a bundle of home broadband and mobile wireless services — an offering Frontier is unable to make today. Following the transaction, Verizon will continue to make mobile wireless service available to customers in Frontier’s territory, as well as offer fixed wireless in parts of Frontier’s territory. Other wireless providers are also aggressively competing with their own mobile and fixed wireless options. Consequently, not only will the transaction not result in a reduction in the number of competitors or eliminate

³⁰ See, e.g., *Application of MCImetro Access Transmission Services LLC for the Discontinuance and Partial Abandonment of Competitive Local Exchange Carrier Services to the Public within the Commonwealth of Pennsylvania*, A-2022-3031545, 2022 PA. PUC LEXIS 210, *5-6, 2022 PA. PUC LEXIS 210 (Opinion and Order entered June 16, 2022) (“the Commission acknowledges that that the market for business telecommunications services . . . is competitive and . . . customers have many different competitive options available to them in choosing a provider for their voice telecommunications services, including traditional wireline providers, cable companies, and VoIP providers.”).

the possibility of a future new competitor in any Frontier service area; it will permit greater competition in the increasingly popular bundled offering. The transaction thus does not pose any threat of competitive harm.

97. Ultimately, this transaction will help to increase advanced broadband deployment and competition. As recently announced, Verizon will continue to look for opportunities to accelerate its ongoing Fios builds within the current footprint in nine states and Washington, D.C., giving more customers access to the industry-leading product. In particular, Verizon is planning to increase its new fiber to the premises availability or “open for sale” locations from 500,000 to 650,000 annually. The Frontier transaction will significantly expand Verizon's (and Frontier's) fiber footprint, accelerating the company's delivery of premium mobility and broadband services to current and new customers. Frontier's consumer fiber network can be immediately and seamlessly integrated upon closing directly into Verizon's award-winning Fios network.

VII. INFORMATION REQUIRED BY 52 PA CODE § 63.324(d)

98. Description of Joint Applicants (63.324(d)(1)): Please see Section II above.
99. Jurisdiction of Joint Applicants (63.324(d)(2)): Please see Section II above.
100. Points of Contact (63.324(d)(3)): Please see Section III above.
101. Ownership information (63.324(d)(4)):
 - (a) Frontier Parent is a publicly traded company and no one person, party, or entity directly or indirectly owns more than 20% of its equity. As shown in *Exhibit A*, the Frontier Pennsylvania Operating Subsidiaries are wholly-owned by Frontier Parent.
 - (b) Verizon is a publicly traded company and no one person, party, or entity directly or indirectly owns more than 20% of its equity. France Merger Sub is wholly-owned by Verizon.
102. Summary of Transaction (63.324(d)(5)): Please see Section IV above.

103. Service Territories Affected (63.324(d)(6)): See Section II above, describing the service territories of and jurisdictional services offered by the Frontier Pennsylvania Operating Subsidiaries.

104. Categorization of Transaction (63.324(d)(7)): The proposed transaction would transfer 100% of the ownership of Frontier Parent and consequently indirect ownership of the Frontier Pennsylvania Operating Subsidiaries to Verizon and therefore is a General Rule Transaction because more than 20% of the direct or indirect control of the applicant is being transferred. Verifications are included with this Joint Application.

105. Identification of Related Transactions (63.324(d)(8)): There are no jurisdictional transactions related to this transaction.

106. Special Considerations (63.324(d)(9)): The transaction does not warrant special consideration due to imminent business failure.

107. Waiver Requests (63.324(d)(10)): No waiver requests are being filed together with this Joint Application.

108. Facts Supporting the Public Interest (63.324(d)(11)): Please see Section VI above for the facts that establish that the proposed transaction will affirmatively promote the public interest and will not have a negative impact on competition.

109. Compliance (63.324(d)(12)): The Joint Applicants are in compliance with Commission obligations and filings and have not been alleged or found to have violated either state or federal requirements within the prior three years. On May 9, 2024, this Commission approved a Joint Petition for Approval of Settlement between the Office of Consumer Advocate, the Office of Small Business Advocate, and Frontier Commonwealth resolving a complaint relating to service quality issues within its ILEC service territory. The settlement was made

without admission of liability and contained a number of obligations and commitments. Following the closing of the transaction this settlement will remain binding and Frontier Commonwealth, as a wholly-owned subsidiary of Verizon, will continue to comply with its requirements.

110. Customer Notice (63.324(d)(13)): Notice will be provided to Frontier customers as required by FCC rules.

111. Utility Certificate (63.324(d)(14)): Please see Section II for a description of the Frontier Pennsylvania Operating Subsidiaries' utility certificates.

112. Tariffs (63.324(d)(15)): The Frontier Pennsylvania Operating Subsidiaries will be transferred to Verizon as going concerns and there are no plans to change their tariffs in connection with the proposed transaction. The Frontier Pennsylvania Operating Subsidiaries will continue to offer service under their existing tariffs after the transaction.

113. Affiliate Interest Agreements (63.324(d)(16)): The proposed transaction will have no effect on any existing affiliate interest agreements.

114. Federal or State Regulatory Proceedings (63.324(d)(17)): On October 11, 2024 the Joint Applicants filed with the FCC an application for consent to transfer control of the domestic and international Section 214 authorizations and wireless licenses of Frontier to Verizon. Frontier, through its subsidiaries, operates in multiple states and the parties will file for approval of the same transaction in those states where approval is required; each such state will use its own process for review and approval of this transaction.

115. Organizational Charts (63.324(d)(18)): An organizational chart depicting the corporate ownership and status of Frontier in Pennsylvania before and after the transaction described herein is attached as *Exhibit A*.

116. FCC Applications/DOJ Notice (63.324(d)(19)): A copy of the October 11, 2024 FCC application is available at <https://www.fcc.gov/ecfs/document/1011130768207/1>. A hard copy can be provided upon request. Joint Applicants have not yet filed a Hart-Scott-Rodino notice with the Department of Justice. Joint Applicants will request proprietary protection for this notice when it is available.

117. Capital Structure (63.324(d)(20)): Frontier Parent will become a wholly-owned indirect subsidiary of Verizon, but otherwise the transaction is not expected to have a public effect on the capital structure of the company. Verizon will remain a publicly traded company.

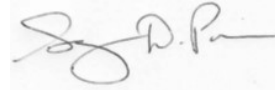
118. Broadband Deployment Commitments (63.324(d)(21)): The Frontier Pennsylvania Operating Subsidiaries are in compliance with and will continue to abide by their broadband commitments under federal and state law.

119. ETC Status (63.324(d)(22)): All of the Frontier ILECs designated as eligible telecommunications carriers (“ETCs”) will continue to be ETCs post-transaction and will comply with applicable federal and state law related to ETCs. Verizon’s ILEC subsidiaries are not affected by the proposed transaction and it will not affect their ETC status.

120. Cross-subsidies (63.324(d)(23)): The transaction complies with any prohibition against cross-subsidization imposed by Federal or State law.

WHEREFORE, for the foregoing reasons the Joint Applicants respectfully request that the Commission expeditiously grant any and all consents and approvals necessary to accomplish the overall transaction described above.

Respectfully submitted,



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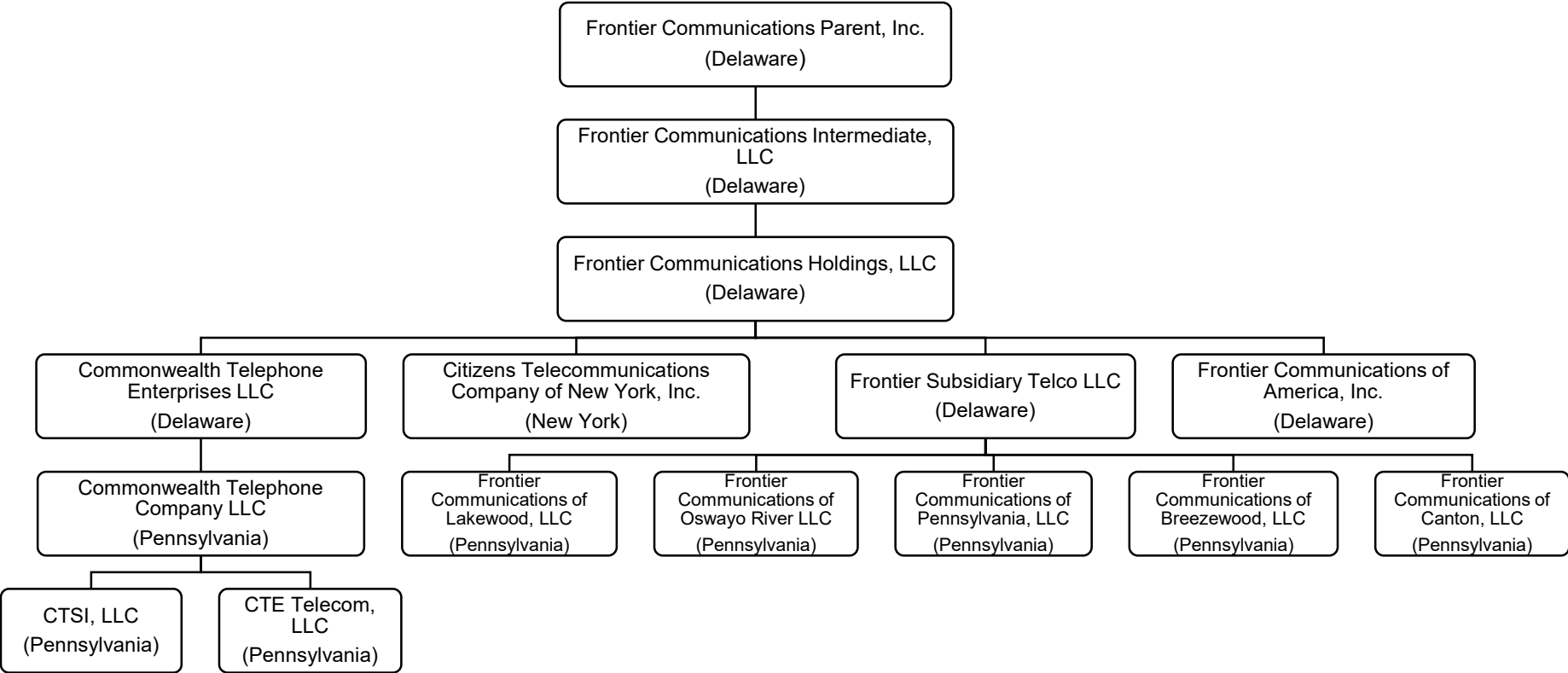
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Dated: October 31, 2024

Exhibit List

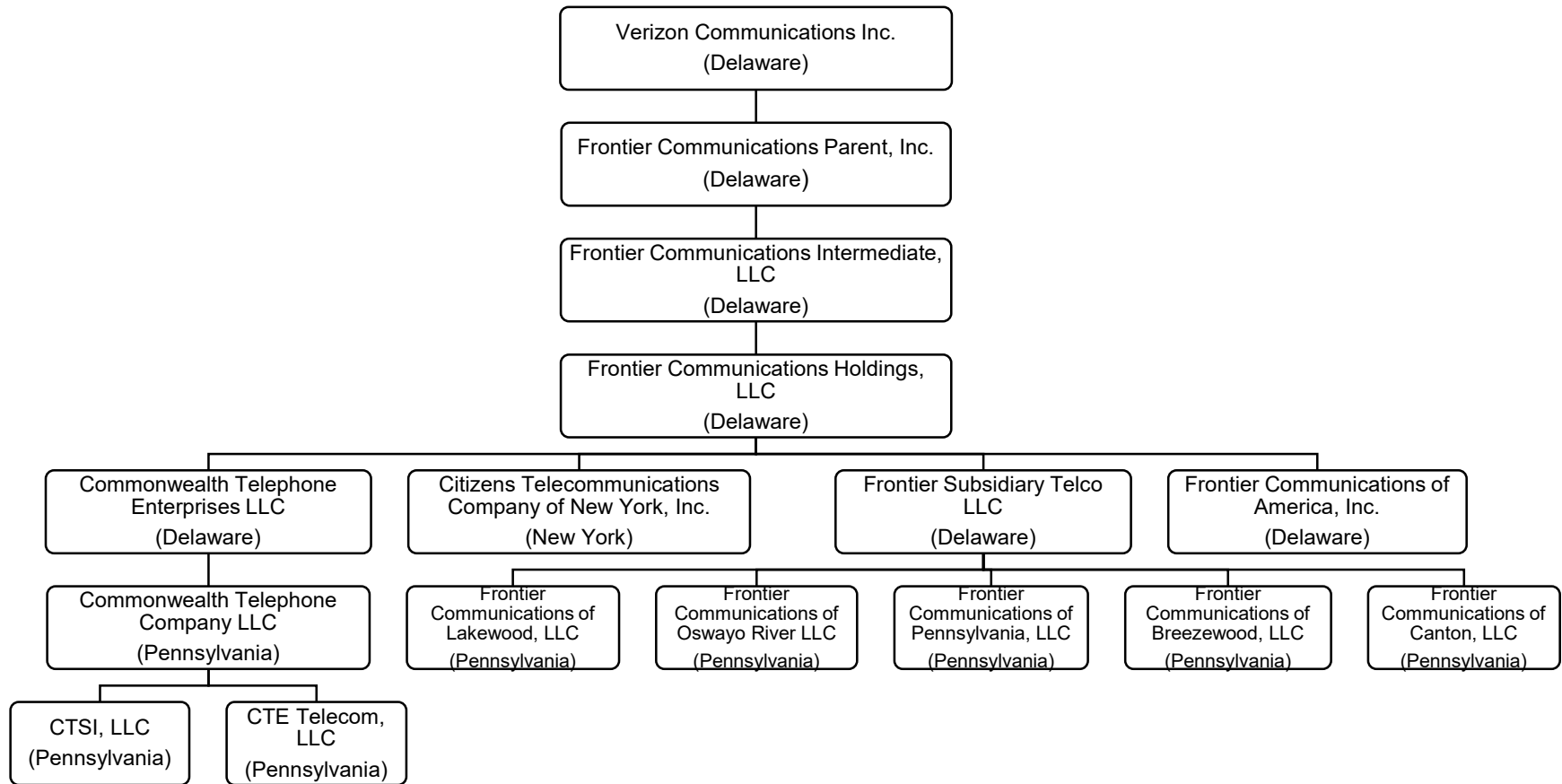
Exhibit A: Chart Depicting Pre-Transaction and Post-Transaction Ownership in Pennsylvania

Exhibit B: Map of Verizon and Frontier ILEC Territories in Pennsylvania



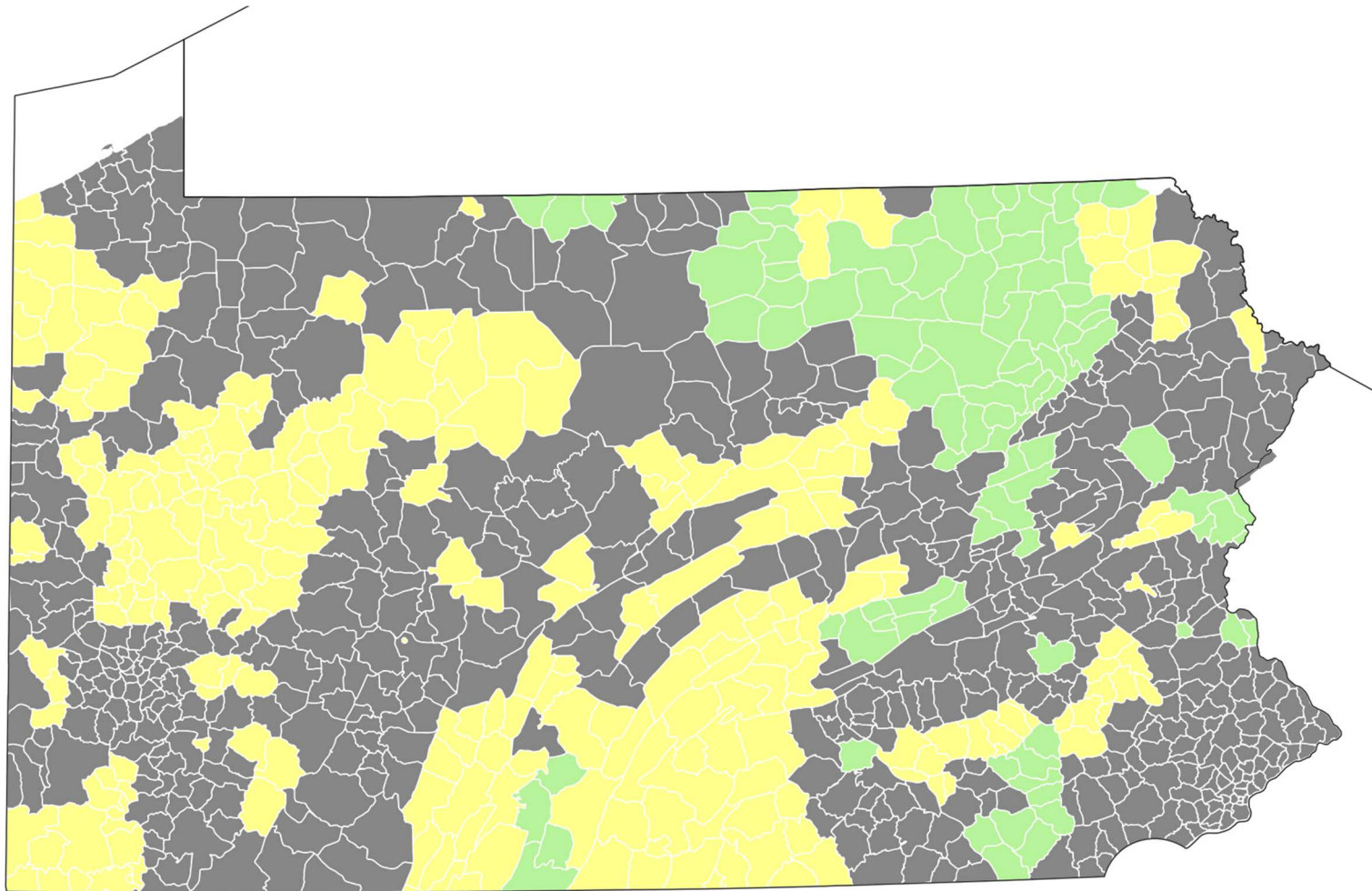
All ownership interests are 100% voting and equity.

Post-Transaction Ownership Pennsylvania



All ownership interests are 100% voting and equity.

Map of Verizon and Frontier ILEC Territories in Pennsylvania



Colors	
Grey	Verizon ILECs
Green	Frontier ILECs
Yellow	Other ILECs

VERIFICATION

I, Kevin Saville, state that I am Senior Vice President, General Counsel for Frontier, and that as such I am authorized to make this verification on behalf of Frontier Parent and the Frontier Pennsylvania Operating Subsidiaries. I have reviewed the Joint Application for any Approvals Required under the Public Utility Code for a Transfer of Control of Frontier Parent and its Frontier Pennsylvania Operating Subsidiaries and verify that the facts contained therein relating to Frontier are true to the best of my knowledge, information and belief. I understand that the statements herein are made subject to the penalties of 18 Pa. C. S. § 4904, relating to unsworn falsification to authorities.

Date: October 31, 2024



Kevin Saville

VERIFICATION

I, Paul B. Vasington, state that I am Senior Director – Regulatory and Government Affairs for Verizon, and that as such I am authorized to make this verification on behalf of Verizon Communications Inc. and France Merger Sub Inc. I have reviewed the Joint Application for any Approvals Required under the Public Utility Code for a Transfer of Control of Frontier Parent and its Frontier Pennsylvania Operating Subsidiaries and verify that the facts contained therein relating to Verizon Communications Inc. and its affiliates are true to the best of my knowledge, information and belief. I understand that the statements herein are made subject to the penalties of 18 Pa. C. S. § 4904, relating to unsworn falsification to authorities.

Date: October 31, 2024



Paul B. Vasington

CERTIFICATE OF SERVICE

I hereby certify that this 31st day of October, 2024, a true and correct copy of the foregoing Joint Application of Frontier Communications Parent, Inc. with its wholly-owned subsidiaries regulated by this Commission (together, “Frontier”) and Verizon Communications Inc. (“Verizon”) for any required approvals to transfer control of Frontier to Verizon has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

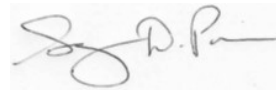
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