

COMMONWEALTH OF PENNSYLVANIA



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January 3, 2025

Via Electronic Filing

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Joint Application of Frontier
Communications, Verizon Communications,
et al; Docket Nos. A-2024-3051925,
A-2024-3051926, A-2024-3051927,
A-2024-3051929, A-2024-3051931,
A-2024-3051932, A-2024-3051933,
A-2024-3051934, A-2024-3051935,
A-2024-3051936

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Prehearing Memorandum in the captioned proceeding.

Copies have been served on the parties as indicated on the enclosed Certificate of Service.

Respectfully submitted,

/s/ Barrett C. Sheridan
Barrett C. Sheridan, Esq.
Assistant Consumer Advocate
PA Attorney I.D. # 61138
BSheridan@paoca.org

Enclosures

cc: Office of Administrative Law Judge Steven Haas (email only: sthaas@pa.gov)
Office of Administrative Law Judge Erin L. Gannon (email only: egannon@pa.gov)
Parties of record (per Certificate of Service)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Application of Frontier	:	
Communications Parent, Inc.,	:	Docket Nos. A-2024-3051925
Commonwealth Telephone Enterprises	:	A-2024-3051926
LLC, Commonwealth Telephone Company	:	A-2024-3051927
LLC d/b/a Frontier Communications	:	A-2024-3051929
Commonwealth Telephone Company,	:	A-2024-3051931
Frontier Communications of Breezewood,	:	A-2024-3051932
LLC, Frontier Communications of Canton,	:	A-2024-3051933
LLC, Frontier Communications of	:	A-2024-3051934
Lakewood, LLC, Frontier Communications	:	A-2024-3051935
of Oswayo River LLC, Frontier	:	A-2024-3051936
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.	:	
	:	

PREHEARING MEMORANDUM
OF THE
OFFICE OF CONSUMER ADVOCATE

Pursuant to Section 333 of the Public Utility Code, 66 Pa. C.S. § 333, the Commission’s regulations at 52 Pa. Code §§ 5.221-5.224, and in response to the December 20, 2024, Prehearing Conference Order issued by the Honorable Administrative Law Judges (ALJs) Steven Haas and Erin Gannon of the Office of Administrative Law Judge (OALJ) of the Pennsylvania Public Utility Commission (Commission), in the above-captioned proceeding, the Office of Consumer Advocate (OCA) provides the following information:

I. INTRODUCTION

On October 31, 2024, the captioned Joint Application for a change of control was filed with the Commission. The parties to the Application (Applicants) include: Frontier Communications Parent, Inc. (Frontier), Verizon Communications Inc. (Verizon), and France Merger Sub Inc. (Merger Sub). The Applicants also include the following subsidiaries of Frontier that operate within the Commonwealth (collectively, the Frontier Pennsylvania Operating Subsidiaries):

- Commonwealth Telephone Enterprises LLC,
- Commonwealth Telephone Company LLC d/b/a Frontier Communications Commonwealth Telephone Company (Frontier Commonwealth),
- Frontier Communications of Breezewood, LLC (Frontier Breezewood),
- Frontier Communications of Canton, LLC (Frontier Canton),
- Frontier Communications of Oswayo River LLC (Frontier Oswayo);
- Frontier Communications of Pennsylvania, LLC (Frontier PA),
- Citizens Telecommunications Company of New York, Inc. (Citizens NY),
- CTSI, LLC d/b/a Frontier Communications CTSI, LLC (Frontier CTSI),
- CTE Telecom, LLC, d/b/a Frontier Communications CTE Telecom Company (Frontier CTE), and
- Frontier Communications of America, Inc. (FCA).

The Joint Application requests that the Commission permit Verizon to acquire one hundred (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. Joint Application, ¶ 2.

On November 13, 2024, the OCA filed a Notice of Intervention and Public Statement, and on November 27, 2024, the OCA filed a Protest and Public Statement. On November 26, 2024, the Office of Small Business Advocate (OSBA) filed a Notice Intervention and Public Statement. On December 2, 2024, the Broad Horizons Lotowners' Association (BHLA) filed a Protest.

The OALJ scheduled a Prehearing Conference to be held before the Honorable ALJs on January 6, 2025.

II. ISSUES

The OCA Protest at Paragraph 12(a) through (g) identified the initial scope of the OCA's concerns, based upon the general pleadings in the Joint Application. Upon receipt, review, and discovery of the Joint Application and the Joint Applicants' Direct Testimony, the OCA's list of issues may expand or otherwise change. The following list of issues complements the OCA Protest and is preliminary:

- What information will be disclosed by Verizon to the Department of Justice (DOJ) as part of its (not yet filed) Hart-Scott-Rodino notice that is pertinent to Verizon's proposed acquisition of the Frontier Pennsylvania Operating Subsidiaries?
- What information will be disclosed by Frontier to the DOJ as part of its (not yet filed) Hart-Scott-Rodino notice that is pertinent to Frontier's proposed sale of the Frontier Pennsylvania Operating Subsidiaries to Verizon?
- When, where, and to what degree will Verizon apply its financial resources and expertise to 'optimize' the Frontier networks for the benefit of residential customers served by each Frontier ILECs in Pennsylvania?
- What public benefits will accrue to current Frontier residential customers who are not served by fiber and would not be served by fiber post-transaction?
- Will Verizon commit to fiber builds for the benefit of Frontier residential customers in Pennsylvania? What criteria will Verizon apply to determine the location of those network upgrades?

- Will all residential Frontier customers, who meet the income-eligibility requirement, be able to obtain discounted broadband service through the Verizon Forward offering, regardless of the consumer's type of their network connection?
- Would Verizon's acquisition of Frontier, including the Frontier subsidiaries in Pennsylvania, result in net cost savings?
- How and from whom would Verizon expect to recover the costs of investment in optimizing Frontier's networks?
- What would be the impact of the proposed acquisition on competition, in the different lines of business which Verizon refers to in the Joint Application? For example: voice, broadband, mobile wireless, fixed wireless, Lifeline and related low-income broadband discounted service.
- Has Verizon optimized the Verizon Pennsylvania and Verizon North networks such that all Verizon ILEC consumers have access to Verizon next-generation broadband services?
- How does the Verizon ILECs' performance at the wire center level under standard service quality metrics compare to the performance of the Frontier ILECs under comparable service quality metrics?
- What impact would approval of the transaction have on the level of employment for the collective Verizon and Frontier ILECs?
- Would the head count of skilled technicians capable of repair and maintenance of the existing Frontier networks increase or decrease?
- What impact would approval of the transaction have on the number, location, and distribution of repair trucks, staffing, and other resources necessary to dispatch to respond to residential service outages, community outages, or public safety events that occur within the Frontier ILEC service areas?
- Of the benefits cited by Verizon – such as the inclusion of Verizon Wireless service as part of a bundled offering to Frontier customers – will those opportunities be available to all consumers in the Frontier service areas? Is Verizon Wireless service uniformly available throughout the Frontier ILECs' service territories, regardless of terrain, tree cover?
- What impact would approval of the transaction have on the quality and performance of Frontier customer service operations? On Verizon customer service operations?

III. WITNESSES

The OCA has not completed the process of engaging an expert witness. While the OCA can preliminarily name an expert, as shown below, promptly after the process of engaging the witness is finalized, the OCA will notify ALJ Haas, ALJ Gannon, and the parties of record with the name and contact information for the OCA expert witness.

As necessary, the OCA intends to present the direct, rebuttal and surrebuttal testimony of the following witness in this proceeding. The witness will present testimony in written or oral form and will also provide various exhibits, documents and explanatory information that will assist in the presentation of the OCA's case.

Consistent with above, preliminarily, the OCA's witness is:

David Brevitz, C.F.A.
Brevitz Consulting Services
3623 SW Woodvalley Terrace
Topeka, KS 66614
Tel. (785) 969-1616
davidbrevitz@att.net

The OCA reserves the right to call additional or different witnesses and will inform the ALJ and the parties if it determines that an additional or different witness(es) will be necessary.

IV PUBLIC INPUT HEARINGS

The OCA requests that, at a minimum, one in-person public input hearing be scheduled for Wellsboro, Pennsylvania. The OCA also requests that at least one day of telephonic public input hearings be scheduled, with an afternoon and evening session. If the OCA becomes aware of substantial public interest from legislators, consumers, or other members of the public, the OCA will promptly notify the ALJs and the parties and seek to request the scheduling of additional public input hearings.

V. PROPOSED SCHEDULE

The OCA and other parties have engaged in a discussion of litigation schedule, to allow for adequate development of the evidentiary record and the submission of briefs. The Parties were unable to agree to a procedural schedule, beyond the Joint Applicants' Direct Testimony filing date. The parties are continuing to discuss the schedule.

The OCA's recommends adoption of the following Procedural Schedule:

Oct. 31, 2024 (Th)	Joint Application Filed
Jan. 6, 2025 (Mon)	Prehearing Conference
Jan. 21, 2025 (Tu)	Direct Testimony – Joint Applicants
Week of Feb. 3, 2025 and/or Feb. 11, 2025	Public Input Hearings
Mar. 6, 2025 (Th)	Direct Testimony – All Other Parties
Apr. 3, 2025 (Th.)	Rebuttal Testimony – All Parties
Week of Apr. 14, 2025	Parties' Settlement Conference
Apr. 29, 2025 (Th)	Surrebuttal Testimony – All Parties
2 business days before Hearing Day 1	Rejoinder Outline by Joint Applicants (witness names, topics)
May 8-9 (Th-Fr) or May 12-14, 2025 (Mon-Wed)	Evidentiary Hearings, Joint Applicants' Oral Rejoinder (2 days reserved, with telephonic option)
June 6, 2025 (Wed)	Main Brief
June 27, 2025 (Fri)	Reply Brief

VI. DISCOVERY

In conjunction with its proposed schedule, the OCA proposes the following modifications to the Commission's procedural rules regarding discovery. The OCA requests that the Presiding Officers direct that the modifications will take effect when addressed during

the on the record prehearing conference and apply to all future discovery requests served on and after the date of the prehearing conference (January 6, 2025).

- A. Answers to written interrogatories and requests for document production, entry for inspection, or other purposes shall be served in-hand within twelve (12) calendar days of service.
- B. Objections to interrogatories and/or requests for production shall be communicated orally to the propounding party within three (3) calendar days of service of the interrogatories; unresolved objections shall be served in writing to the propounding party within five (5) calendar days of service of the interrogatories and/or requests for production.
- C. Motions to dismiss objections and/or direct the answering of interrogatories and/or requests for production shall be filed within three (3) calendar days of service of written objections.
- D. Answers to motions to dismiss objections and/or answering of interrogatories and/or requests for production shall be filed within three (3) calendar days of service of such motions.
- E. Requests for admissions will be deemed admitted unless answered within ten (10) calendar days or objected to within five calendar days of service.
- F. Answers to on-the-record data requests shall be served in-hand within five (5) calendar days of the requests.
- G. Any discovery or discovery-related pleadings (such as objections, motions, and answers to same) served after served after 4:30 p.m. Monday through Thursday or after 1:30 p.m. on a Friday or the day before a holiday will be deemed to have been served on the next business day for purposes of calculating the due date for any responsive filing.

After Rebuttal is served by the Joint Applicants and all other parties, the OCA proposes that the deadlines should be reduced as follows:

- A. Answers to interrogatories and responses to requests for document production, entry for inspection, or other purposes shall be served within seven (7) calendar days of service of the interrogatories or requests for production.
- B. Objections to interrogatories and/or requests for production shall be communicated orally to the propounding party within two (2) calendar days of service; unresolved objections shall be served on the propounding party in writing within three (3) calendar days of service of the interrogatories and/or requests for production.

- C. Motions to dismiss objections and/or direct the answering of interrogatories and/or requests for production shall be filed within two (2) calendar days of service of written objections.
- D. Answers to motions to dismiss objections and/or direct the answering of interrogatories and/or requests for production shall be filed within two (2) calendar days of service of such motions.
- E. Requests for admission shall be deemed admitted unless answered or objected to within three (3) calendar days of service.
- F. Discovery requests and discovery related pleadings (such as objections, motions, and answers to same) served after 4:30 p.m. Monday through Thursday or after 1:30 p.m. on a Friday or the day preceding a holiday shall be deemed to have been served on the next business day.

VII. SERVICE ON THE OCA

The OCA will be represented in this case by Assistant Consumer Advocates Barrett C. Sheridan, Katherine “Katie” Kennedy, and Ryan Morden. The OCA requests that one copy of all documents be served on the OCA as follows:

Barrett C. Sheridan
Katie Kennedy
Ryan Morden
Assistant Consumer Advocate
Office of Consumer Advocate
555 Walnut Street, 5th Floor Forum Place
Harrisburg, PA 17101-1923
Telephone: (717) 783-5048
E-mail: BSheridan@paoca.org
KKennedy@paoca.org
RMorden@paoca.org

VIII. SETTLEMENT

The OCA is willing to participate in settlement discussions.

<p>Office of Consumer Advocate 555 Walnut Street, 5th Floor, Forum Place Harrisburg, PA 17101-1923 Phone: (717) 783-5048</p> <p>Dated: January 3, 2025</p>	<p>Respectfully Submitted, <u>/s/ Barrett C. Sheridan</u> Barrett C. Sheridan Assistant Consumer Advocate PA Attorney I.D. # 61138 E-Mail: BSheridan@paoca.org</p> <p>Katherine M. Kennedy Assistant Consumer Advocate PA Attorney I.D. # 317237 E-mail: KKennedy@paoca.org</p> <p>Ryan Morden Assistant Consumer Advocate PA Attorney I.D. # 335679 E-Mail: RMorden@paoca.org</p> <p>Counsel for: Patrick M. Cicero Consumer Advocate</p>
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CERTIFICATE OF SERVICE

Joint Application of Frontier	:	
Communications Parent, Inc.,	:	Docket Nos. A-2024-3051925
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LLC, Frontier Communications of	:	A-2024-3051934
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of Oswayo River LLC, Frontier	:	A-2024-3051936
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.	:	

I hereby certify that I have this day filed electronically on the Commission’s electronic filing system and served a true copy of the following Office of Consumer Advocate’s Prehearing Memorandum, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below.

Dated this 3rd day of January 2025.

SERVICE BY E-MAIL ONLY

The Honorable Steven Haas
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Dated: January 3, 2025

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