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June 17, 2025

VIA EMAIL

The Honorable Steven Haas
The Honorable Erin L. Gannon
Administrative Law Judge
Pennsylvania Public Utility Commission
400 North Street
Commonwealth Keystone Building
Harrisburg, PA 17120

Re: Docket Nos. A-2024-3051925 et al.

Dear Judge Haas and Judge Gannon:

Enclosed please find the Joint Petition for Approval of Settlement, submitted on behalf of Verizon Communications Inc. (“Verizon”), Frontier Communications Parent, Inc. and its Pennsylvania Operating Subsidiaries (together, “Frontier”), the Office of Consumer Advocate (“OCA”), the Office of Small Business Advocate (“OSBA”), and the Broad Horizons Lot Owners’ Association (“BHLA”), in the above captioned matter.

Should you have any questions or concerns, please contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Mike Hazzard', written over a light blue circular stamp.

Michael B. Hazzard

Counsel to Verizon Communications Inc.

Attachments

VIA ELECTRONIC FILING

cc: Rosemary Chiavetta, Secretary (Cover Letter, Certificate of Service, Joint Petition, and Parties’ Statements)

VIA EMAIL

cc: Attached Joint Petition for Approval of Settlement

CERTIFICATE OF SERVICE

I, Michael B. Hazzard, hereby certify that I have this day served a copy of the Joint Petition for Approval of Settlement of Verizon Communications Inc. (“Verizon”), Frontier Communications Parent, Inc. and its Pennsylvania Operating Subsidiaries (together, “Frontier”), the Office of Consumer Advocate (“OCA”), the Office of Small Business Advocate (“OSBA”), and the Broad Horizons Lot Owners’ Association (“BHLA”), upon the participants listed below, in accordance with the requirements of 52 Pa. Code Section 1.54 (related to service by a participant) and 1.55 (related to service upon attorneys).

Dated at Washington, DC, this 17th day of June, 2025.

VIA EMAIL

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Application of:	:	
	:	
Frontier Communications Parent, Inc.,	:	
Commonwealth Telephone Enterprises LLC,	:	
Commonwealth Telephone Company	:	Docket Nos. A-2024-3051925
LLC d/b/a Frontier Communications	:	A-2024-3051926
Commonwealth Telephone Company,	:	A-2024-3051927
Frontier Communications of Breezewood, LLC	:	A-2024-3051929
Frontier Communications of Canton, LLC	:	A-2024-3051931
Frontier Communications of Lakewood, LLC,	:	A-2024-3051932
Frontier Communications of Oswayo River LLC,	:	A-2024-3051933
Frontier Communications of Pennsylvania, LLC,	:	A-2024-3051934
Citizens Telecommunications Company of	:	A-2024-3051935
New York, Inc.,	:	A-2024-3051936
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 PETITION FOR APPROVAL OF SETTLEMENT

Pursuant to 52 Pa. Code § 5.232, Frontier Communications Parent, Inc. with its wholly-owned subsidiaries certified by the Commission to provide regulated services in Pennsylvania (the “Frontier Pennsylvania Operating Subsidiaries”)¹ (together, “Frontier”), Verizon Communications

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

Inc. with its wholly-owned subsidiary created for the merger France Merger Sub Inc. (together, “Verizon”) (collectively, the “Joint Applicants”), the Office of Consumer Advocate (“OCA”), the Office of Small Business Advocate (“OSBA”), and the Broad Horizons Lot Owners’ Association (“BHLA”) (collectively, the “Parties”) submit this Joint Petition for Approval of Settlement (“Settlement” or “Joint Settlement Petition”) setting forth their agreement to settle all issues in the above-captioned proceeding. In support of this Joint Settlement Petition, the Parties state as follows:

1. This Joint Settlement Petition constitutes an agreement by the Parties to this proceeding to the settlement described herein. No party to this case opposes the settlement. *See* 52 Pa. Code § 5.232(b).

2. This Joint Settlement Petition proposes to resolve all issues associated with the Joint Application of Verizon and Frontier requesting any required Commission approvals for a proposed parent-level transaction where Verizon will acquire 100 percent ownership of Frontier, including but not limited to the Protests filed by OCA and BHLA, as described in more detail below.

3. The Parties respectfully request that the presiding Administrative Law Judges (“ALJs”) recommend approval of the Joint Settlement Petition in its entirety without modification, and that the Commission approve this Joint Settlement Petition in its entirety without modification. In support thereof, the Parties submit as follows:

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.

I. PROCEDURAL HISTORY

4. On October 31, 2024, Frontier and Verizon filed this Joint Application seeking Commission approval of a proposed parent-level transaction (the “Transaction”) where Verizon will acquire 100 percent ownership of Frontier pursuant to an Agreement and Plan of Merger dated September 4, 2024 (the “Joint Application”). As a result of this Transaction, there will be a change of control of the Frontier Pennsylvania Operating Subsidiaries, which will become wholly-owned indirect subsidiaries of Verizon.

5. The Joint Application requested any required Commission approvals for the Transaction, including those 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.

6. The Commission published notice of the Joint Application in the Pennsylvania Bulletin on November 16, 2024, with a deadline for protests or interventions of December 2, 2024.

7. On November 13, 2024 OCA filed a Notice of Intervention and Public Statement.

8. On November 26, 2024 OSBA filed a Notice of Intervention and Public Statement.

9. On November 27, 2024 OCA filed a Protest and Public Statement.

10. On December 2, 2024 BHLA filed a Protest. The OCA and BHLA Protests are referred to together as “the Protests.”

11. The matter was assigned to the Office of Administrative Law Judge, presided over by ALJs Steven K. Haas and Erin L. Gannon.

12. Following a telephonic prehearing conference on January 6, 2025, the presiding officers issued a prehearing order on January 28, 2025 that established an agreed-upon litigation schedule and discovery rules.

13. This order also scheduled three public input sessions, in person in Quarryville (February 10), in person in Wellsboro (February 13), and two telephonic sessions (February 20, afternoon and evening). Six additional in person public input hearings were subsequently scheduled for Monroeville (March 6, afternoon and evening), Tunkhannock (March 11, afternoon and evening), and Philadelphia (March 17, afternoon and evening). Members of the public appeared to speak on the record at the sessions in Frontier service territory (Quarryville, Wellsboro and Tunkhannock) and the first telephonic session but no one spoke at the sessions in Verizon service territory (Monroeville and Philadelphia) or the other telephonic session.

14. The Joint Applicants responded to multiple sets of discovery.

15. The parties exchanged several rounds of written testimony between January 23 and April 23, 2025, consisting of the following testimony and associated exhibits, some of which included Confidential or Highly Confidential information:

- a. Verizon Statement No. 1.0, Direct Testimony of Sullivan, Nugent and Vasington;
- b. Frontier Statement No. 1, Direct Testimony of Ellis;
- c. OCA Statement No. 1, Direct Testimony of Brevitz;
- d. BHLA Statement No. 1, Direct Testimony of Smith;
- e. BHLA Statement No. 2, Direct Testimony of Willig;
- f. Verizon Statement 1.1, Rebuttal Testimony of Sullivan, Nugent and Vasington;
- g. Frontier Statement No. 1-R, Rebuttal Testimony of Ellis;
- h. OCA Statement No. 1 Supp. Direct, Supplemental Direct Testimony of Brevitz;
- i. Verizon Statement No. 1.2, Surrebuttal Testimony of Sullivan, Nugent and Vasington;
- j. Frontier Statement No. 1-SR, Surrebuttal Testimony of Ellis; and
- k. OCA Statement No, 1SR, Surrebuttal Testimony of Brevitz.

16. The Parties agreed to waive cross-examination and personal appearance of all witnesses and to admit all of the above verified written testimony into the record by stipulation, which was accomplished at an in-person hearing attended by the attorneys for the Parties on May 1, 2025. This record evidence provides evidentiary support for this Settlement.

II. SETTLEMENT OF ISSUES

17. Pursuant to the Commission's policy of encouraging settlements that are reasonable and in the public interest, the Parties held a series of discussions and exchanged written communications that culminated in this Settlement. The Joint Applicants, OCA, BHLA, and OSBA desire to resolve completely all issues, allegations, and claims that were raised or could have been raised in the Commission's review of this Joint Application and the Protests, without litigation. The Parties recognize that this is a disputed matter, and nothing contained herein should be construed as an admission against any Party as to the merits of the other Parties' claims.

18. In consideration of the mutual promises and provisions contained in this Joint Settlement Petition, the Parties agree that the Joint Settlement Petition is in full satisfaction of all issues raised in the Joint Application and the Protests.

19. Pursuant to the Settlement, the Parties respectfully request the Commission to issue all approvals and a certificate of public convenience as required under the Public Utility Code approving the Joint Application and the Transaction. The Joint Application shall be approved upon the Commission's issuance of a final order approving this Joint Settlement Petition without modification. Contingent upon and following the closing of the Transaction ("Closing"), the specific terms and conditions of this proposed settlement for which the Parties seek Commission approval will take effect, as set forth below:

A. Welcome Letter

20. Within forty-five days following the Closing, Verizon will send a welcome letter or notice to Frontier’s customers that includes information about payment options, Verizon Forward,² and any other customer service information. Within thirty days of a final order in this proceeding, Verizon will provide the OCA and OSBA with a copy of the draft correspondence/notice to consumers; OCA and OSBA will provide any suggestions to Verizon within 10 days of receipt; and Verizon, in good faith, will consider incorporation of OCA’s and OSBA’s suggestions. Verizon will provide a copy of the final letter or notice that Verizon sends to customers to the OCA and OSBA.

B. Verizon Forward (discounted broadband service for qualifying low-income customers)

21. Within three months (and more quickly if possible using reasonable commercial efforts) following the Closing of the Transaction and continuing for a period of four years thereafter (“Commitment Period”), Verizon will:

- a. Make Verizon Forward available to all households (wireless and wireline) in the Frontier ILEC service areas that are eligible for the discount in terms of technology and income as described in Verizon St. 1.0, p. 19 and Verizon St. 1.2, p. 3-5, which states as follows:
 - i. Qualified for one of these assistance programs within 180 days prior to application:
 - 1. Lifeline – income is 135% or less than the Federal Poverty Guidelines or use SNAP, Medicaid, or other programs
 - 2. Specific Supplemental Nutrition Program for Women, Infants and Children (WIC)
 - ii. Received a Federal Pell Grant within a year prior to application.

² “Verizon Forward” refers to Verizon’s low-income broadband discount discussed in more detail in Verizon’s testimony of record. See Verizon St. 1.0 at 19-20; Verizon St. 1.2 at 3-5.

- b. Commence on advertising the availability and terms of the Verizon Forward offering throughout the Frontier service areas.

22. Verizon will commit during the Commitment Period to continue to offer Verizon Forward to its customers in Frontier territory without diminishment in (a) eligibility criteria, as defined above in paragraph 21a above, or (b) value of discount on broadband that Verizon offered in Pennsylvania as of September 4, 2024, which in the interest of clarity was at least a \$20 discount (without autopay) and up to \$40 discount (with autopay) to reach the lowest available price of \$20 when combined with federal Lifeline. For avoidance of doubt, (c) the amount of the discount offered by Verizon as of September 4, 2024, was a \$20 discount without autopay or a \$30 discount with autopay, and these discounts are not dependent upon the continuation of the federal Lifeline program; and (d) should the federal Lifeline program no longer exist without an equivalent replacement during the Commitment Period, the amount of the discount that Verizon will offer to eligible customers must not be less than the discounts specified in 22(c) above.

23. If, as part of receiving state and federal approvals of the Verizon-Frontier transaction, Verizon makes voluntary commitments in other jurisdictions relating to Verizon Forward to expand service eligibility, increase the discount, or otherwise improve or enhance the value of the Verizon Forward service (Verizon Forward Enhancements), then for the Commitment Period, Verizon will apply the Verizon Forward Enhancements to its customers and Frontier customers in Pennsylvania to the extent there is no conflict with the provisions of this Settlement.

C. Audit of Frontier's Fiber and Copper Networks

24. Within ten months following the Closing of the Transaction, Verizon will complete an in-depth audit of Frontier's fiber and copper networks serving customers in Pennsylvania ("Verizon Audit" or "Audit"). Joint Application, Paragraph 65. The purpose of the Verizon Audit is for Verizon to evaluate the reliability and performance of Frontier's network and identify areas

of infrastructure in need of repair, modernization, and/or upgrade. The Audit will include consideration of best practices with respect to pole inspections and removal of double poles. The Parties agree that the key issues of concern to be identified and addressed in the Audit include the following for all seven Frontier incumbent local exchange carriers (“ILECs”):

- a. Remote Terminals/Batteries Inspection.
 - i. Inspection of a representative sample of remote terminals, including but not limited to batteries, in the six Frontier ILEC service territories other than Frontier Commonwealth. Each sample shall be a subset of the target population of remote terminals/batteries that exhibit a high potential for failure, troublesome conditions, or other areas of concern in each ILEC service territory. The sample shall be selected as guided by data and/or reports from frontline personnel regarding high potential for failure, troublesome conditions, or other areas of concern;
 - ii. In the Frontier Commonwealth service territory, inspection of remote terminals/batteries will occur for any and all remote terminals not already inspected by Frontier pursuant to the Frontier Commonwealth Settlement. With regard to batteries marked as “not passing” or at risk of failure in Frontier Commonwealth’s most recent compliance reports regarding battery inspections, Verizon will inspect those batteries and remote terminals as well;
- b. Identification through data and reports from frontline personnel of Frontier outside plant and central office facilities in Pennsylvania experiencing service-affecting troubles in the past 12 months and prioritization of remediation efforts at those locations facing chronic and ongoing troubles or exhibiting high potential for failure;
- c. Visual inspection of facilities experiencing chronic and ongoing trouble reports or exhibiting high potential for failure identified in subparagraph b, above;
- d. Identification of causes of troubles such as deterioration, wildlife, vehicles or weather, or vandalism/theft, specifically including:
 - i. Corroded or broken outside plant,
 - ii. Necessary pole replacements (broken, rot, or other),
 - iii. Vegetation management, removal of trees/branches from cables,
 - iv. Cables that require raising, relashing, or reattachment,
 - v. Bad splices/splice cases,

- vi. Battery replacements/remote terminals,
 - vii. Compressor replacement,
 - viii. Central office HVAC systems and battery systems;
 - ix. Any other causes identified.
- e. Identification of plant conditions indicating need of additional maintenance or rehabilitation/upgrade and plan to accomplish same;
 - f. Identification of best practices and plan to avoid repeat trouble tickets;
 - g. Identification of best practices and plan to avoid missed appointments;
 - h. Identification of best practices and plan for sealing plant from weather and wildlife to minimize service events; and,
 - i. Any other related service-affecting conditions.

25. Verizon will report to the OCA and OSBA when the Audit has commenced and include an overview of Verizon's Audit plan addressing the network Audit scope (above), and identification of Verizon's target date for completion of the Audit.

26. Within six months following the completion of the Audit (and more quickly if possible using reasonable commercial efforts), Verizon will provide the OCA and OSBA with a report of the Audit results (Audit Report), inclusive of Audit findings and Verizon's proposed measures and proposed timeline to rehabilitate and upgrade facilities where indicated by the Audit, and align Frontier's networks with Verizon's standards. See, Joint Application, Paragraphs 51-65. For a period of three years following the closing of the Transaction, Verizon agrees to summarize the reports from frontline personnel specified in paragraphs 24a and b for the OCA upon request, with appropriate confidentiality designations.

27. After completion of the Audit, Verizon commits to using the Audit findings in the Audit Report to inform and initiate a four-year implementation plan (Audit Implementation Plan). Within

four months following the completion of the Verizon Audit Report, Verizon will provide a draft/tentative Audit Implementation Plan to the OCA and OSBA.

28. After providing the draft Audit Implementation Plan, Verizon will schedule a meeting with the OCA and OSBA to occur within 90 days of providing the draft Audit Implementation Plan at a mutually agreed date, time and location to allow for further discussion, sharing of information pertaining to the Verizon Audit, Audit Report, and draft Audit Implementation Plan and Verizon's measures to align Frontier's networks with Verizon's standards, and answering questions of the OCA and OSBA. OCA commits to providing feedback at the scheduled meeting. Verizon commits to consider in good faith the incorporation of the advocates' feedback provided at the meeting to develop the final Audit Implementation Plan.

29. Verizon commits to develop a final Audit Implementation Plan and agrees to submit, subject to appropriate confidentiality protections, a final Audit Implementation Plan with the PUC in this docket and serve a copy to the OCA and OSBA no later than one month following the meeting described in paragraph 28. Verizon will also submit a public version of the final Audit Implementation Plan with the PUC in this docket containing an executive summary of the same that contains the OCA's public comments to the final Audit Implementation Plan as an attachment. This agreement does not preclude Verizon from addressing identified issues during the course of the Audit and/or during the preparation of the Audit Report or Audit Implementation Plan and any such repairs or replacements will be identified in the Audit Implementation Plan.

30. The final Audit Implementation Plan will be a single comprehensive document that must provide the following information for each of the former seven Frontier ILECs:

- a. Identify plans for addressing the Audit findings in the Audit Report.
- b. Identify Verizon's plans for addressing areas of aging copper and other network and support infrastructure in need of repair or replacement consistent with the findings of the Audit, including broad gauge estimates of the capital and

expense costs of such repairs, upgrades or improvements and any plans to implement ongoing inspection programs consistent with what is done in Verizon's existing territory.

- c. Identify Verizon's plans for addressing central offices in need of repair or improvement (e.g., HVAC systems, battery systems, back-up power systems, etc.) consistent with the findings of the Audit including broad gauge estimates of the capital and expense costs of such repairs, upgrades or improvements.
- d. Report on Verizon's fiber deployment efforts and plans on a calendar year basis for the year ending December 31, 2026. This report will state for Frontier's territory in Pennsylvania, by Frontier ILEC, the number of fiber miles added to the network, the number of households passed in each Frontier ILEC by the additional Verizon fiber, and a map showing the additional locations "open for sale" due to the additional Verizon fiber for consumer wireline services.
- e. Identify Verizon's plans to address areas of Frontier's network that were subject to a prior mandatory commitment of Frontier to repair or improve (e.g. pursuant to Frontier Commonwealth Settlement at Docket No. C-2023-3037574) but were not repaired or improved by Frontier, if any, prior to closing of the transaction.
- f. Review Frontier's planned, RDOF-committed 2025 fiber deployment locations, as contained in Frontier's response to Highly Confidential OCA V-1 in this docket, to identify which locations if any Frontier did not deploy fiber prior to the Transaction closing, and identify Verizon's plans for deploying fiber to such locations.

31. Verizon commits to the following additional annual reporting following the

Transaction closing:

- a. Provide an annual report in the PUC docket and serve a copy to the OCA and OSBA containing an update on the information in paragraph 30(d) above on a calendar year basis for two years ending December 31, 2027 and December 31, 2028.
- b. For a period of three years following the Closing of the Transaction, provide an annual report in the PUC docket and serve a copy to the OCA and OSBA reporting the total capital expenditures by dollar amount in Pennsylvania for the prior fiscal year for the Frontier ILECs. These capital expenditures shall be broken down separately by Frontier ILEC in Pennsylvania, and by inside and outside plant expenditures. The outside plant expenditures will be further broken down by copper or fiber optic cable (or other serving technology separately identified), offset by grant subsidy funding (e.g., RDOF, BEAD) if applicable. Construction build type (aerial, underground or buried) will also be separately broken down. Verizon shall further report any ongoing planned or

occurring capital expenditures by dollar amount in the Frontier service territories in Pennsylvania for the next fiscal year, broken down separately by Frontier ILEC in Pennsylvania, by inside and outside plant, and copper or fiber optic cable.

32. Plant Maintenance Program.

- a. Within nine months of the Close of the Transaction and for a period of three years following the Close of the Transaction, Verizon will adopt a plant maintenance program for Frontier's legacy network through which technicians can submit plant conditions needing additional maintenance to Verizon through a system comparable to Verizon's National Operations Quality Inspection system that records and documents the conditions. Verizon shall review the submissions to the system, and within 90 days of receiving a submission under the program must perform plant rehabilitation or maintenance to address the reported conditions. Exceptions would exist for duplicate submissions and conditions related to other providers' networks. Subject to such exceptions, Verizon shall resolve at least 75% of the submissions within the 90-day period. Final resolution may consist of repair, replacement, or a reasonable conclusion that no further action is appropriate. When no further action is the final resolution, Verizon shall retain a record of the reasonable conclusion that led to that result.
- b. Verizon will provide a spreadsheet or similar report to the Commission after six months and one year (and on request after that), and serve a copy of each report on the OCA and OSBA, showing each submission and date, the condition identified, the location of the wire center, the remedy or repair and date of resolution.

D. Frontier Commonwealth Settlement

33. Verizon agrees to assume the responsibilities and obligations of Frontier Commonwealth in the Frontier Commonwealth Settlement at Docket No. C-2023-3037574 immediately upon closing, with the understanding that the Settlement only applies to the entity Commonwealth Telephone Company LLC.

E. Post-Acquisition Consumer Benefits, Monitoring, Network and Service Improvements

34. Verizon will honor Frontier's obligations to deploy upgraded fiber connections for funding Frontier has already been approved to receive under the following government subsidized

broadband deployment programs: Rural Development Opportunity Fund (RDOF), Broadband Infrastructure Program (BIP), and Unserved High-Speed Broadband Funding Program (UHSB).

35. Verizon will honor Frontier’s obligations to deploy upgraded fiber connections for funding that Frontier has applied to receive and is awarded under the Broadband Equity, Access, and Deployment (“BEAD”) program (whether received prior to or after the closing of the Transaction) and will provide the following:

- a. Within three months of the date that BEAD awards in Pennsylvania are final, Verizon will provide a report to OCA and OSBA detailing the locations in Frontier’s territory where Frontier/Verizon is obligated to deploy fiber to the full extent allowed by BEAD rules and guidelines.
- b. Within three months of the date that BEAD awards in Pennsylvania are final, Verizon will make best efforts to provide a report to OCA and OSBA from public information detailing the locations in Frontier’s territory where a party other than Frontier/Verizon is obligated to deploy fiber.

36. If the BEAD program or its successor requires a new, renewed, or updated application post-closing of the Transaction, Verizon commits to submitting a new, renewed, or updated application for the broadband serviceable locations already identified in Frontier’s current applications to the BEAD program.

F. Rate Cap

37. Except for tax changes and surcharges implemented by government authorities, Verizon will not seek to increase the tariffed rates for residential and small business customers for existing services for Frontier ILEC customers before January 1, 2028. Accordingly, annual Price Stability Index filings made by the Frontier ILECs in calendar years 2026 and 2027 will propose no increases for residential and business service lines. Citizens Telephone of New York will not file proposed increases to tariffed rates in 2026 and 2027.

G. BHLA System and Customers

38. Service Remediation and Potential Upgrades: Verizon shall commence an in-depth study and review of its network, wire center and other facilities providing telephone and copper DSL internet service to customers at Broad Horizons, Shrewsbury Township, Sullivan County. The study shall be a fresh look conducted by Verizon personnel who were not employed by Frontier prior to the close of the Transaction, and shall examine service affecting factors or conditions including those listed in Section C, Paragraph 24(a)-(i) above, and address and identify any improvements that cure or remediate the conditions identified in BHLA's Testimony and Exhibits in this proceeding. The study shall take into consideration any relevant BEAD awards or other paths to the delivery of telephone and more modern and faster broadband internet service to the area at issue. The study shall be completed within six months of Closing and the results shall be shared with a designated representative of BHLA, the OCA, and to any other statutory public advocate requesting a copy of said study. Remediations or improvements to service identified in the study shall be implemented within six months of the completion of the study. During the study and remediation period, Verizon shall communicate periodically (at least once a month) with BHLA's designated contact as to its progress and findings.

39. BHLA's designated contact shall be provided with the portions of the Audit provided for in Section C above pertinent to service to BHLA, subject to appropriate confidentiality protections.

H. Public.

40. Unless otherwise specified herein, all reports submitted by Verizon will be presumed public. If the Company reports information that it deems confidential and non-public, Verizon will include a public Executive Summary in addition to the confidential reported information.

I. General Provisions

41. This Settlement constitutes an agreement by the Parties to this proceeding to the settlement described herein and no Party to this case opposes the settlement. *See* 52 Pa. Code § 5.232(b). The term “Parties” includes Frontier Communications Parent, Inc. and Verizon Communications Inc., together with their relevant subsidiaries identified in the Joint Application; the Office of Consumer Advocate (“OCA”); the Office of Small Business Advocate (“OSBA”); and the Broad Horizons Lot Owners’ Association (“BHLA”).

42. The Settlement will be memorialized in an enforceable public Joint Petition for Approval of Settlement that will be submitted to the Commission for approval.

43. This Settlement proposes to resolve all issues that were raised or could have been raised, including but not limited to the OCA’s and BHLA’s Protests, in the proceeding relating to the Joint Application of Frontier Communications Parent, Inc. and Verizon Communications Inc., together with their relevant subsidiaries, 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. at Pennsylvania Public Utility Commission Docket Nos. A-2024-3051925 *et al.*

44. The Settlement is expressly conditioned upon the Commission’s approval, without modification, of all of its specific terms and conditions therein contained. If the Commission should fail to grant such approval, or should modify any material term or condition, any Party may elect to withdraw, in whole or in part, from this agreement upon written notice to the Commission and the other Parties within 20 calendar days of issuance of an adverse final Commission order. In that event, each of the Parties shall have all legal rights that they may have waived by agreeing to this Settlement.

45. This Settlement is proposed by the Petitioners to settle all issues in the instant proceeding. If the Commission does not approve the Settlement and the proceedings continue, the Petitioners reserve their respective procedural rights to hearing and briefing, and to argue their respective positions. The Settlement is made without any admission against, or prejudice to, any position that any party may adopt in the event of any subsequent litigation of these proceedings, or in any other proceeding.

46. The Parties agree to support this Settlement and to make their reasonable best efforts to secure its approval by the Commission, including filing a Joint Petition for Approval, Statements in Support, and any Stipulations of Fact or Affidavits necessary to provide evidentiary support for the Settlement.

47. If the presiding officers issue a Recommended Decision approving this Joint Settlement Petition without modification, then the Parties agree to not file Exceptions.

III. PUBLIC INTEREST CONSIDERATIONS

48. The resolution of the issues as set forth in this Joint Settlement Petition is in the public interest and should be approved in full.

49. In recognition of the Commission's policy in favor of seeking negotiated settlements to contested proceedings, the Parties have reached an amicable resolution to the disputed issues as described herein. The Joint Settlement Petition achieves a just and fair compromise by all parties, who represent a variety of interests, of the issues raised in the proceeding.

50. Approval of the Joint Settlement Petition will avoid the substantial time, expense and uncertainty involved in litigation of issues in this proceeding. By avoiding the necessity of further administrative proceedings and litigation, including possible appeals, the resources of the parties and the Commission will be appropriately conserved.

51. Approval of the Joint Settlement Petition, in conjunction with the Joint Application, will provide numerous affirmative public benefits that support Commission approval of the Transaction and issuance of a certificate of public convenience, subject to the Settlement terms.

52. The Settlement provides for approval of the Transaction, which will bring affirmative public benefits to Pennsylvania with the enhancements set forth in the Settlement, including but not limited to: (i) creating a financially and competitively stronger company to serve the telecommunications needs of Pennsylvania customers, (ii) bringing the benefits of wireless bundling and Verizon's low income broadband discount to Frontier territory, (iii) enhancing financial strength, scale and scope to enable investment in Frontier's networks, (iv) bringing Verizon's award-winning customer service practices to Frontier territory, (v) bringing Verizon's network tools, technologies and best practices (including the Audit discussed in the Settlement) to Frontier's territory, and (vi) providing continuity for Frontier's employees in light of Verizon's experience working with the relevant unions.

53. The Settlement builds upon and enhances these public benefits by providing specific details and commitments through which the Joint Applicants will bring these benefits to customers in Frontier territory, address the issues raised in the record, work cooperatively with input and participation by the OCA and OSBA, and provide public information regarding progress. These commitments include a customer welcome letter, commitments regarding the Verizon Forward low-income broadband discount for Frontier territory residents, detailed commitments regarding the network Audit together with reporting and cooperation with the Parties, a plant maintenance program to keep on top of developing conditions requiring rehabilitation and maintenance, commitments to honor Frontier broadband deployment awards and applications including for

BEAD, a two-year cap on tariffed residential and small business rates for Frontier, and an in-depth expedited review of the facilities serving the BHLA location.

54. The Parties have attached individual Statements in Support to this Joint Settlement Petition. Joint Applicants' Statement in Support is attached as Exhibit A. OCA's Statement in Support is attached as Exhibit B. OSBA's Statement in Support is attached as Exhibit C. BHLA's Statement in Support is attached as Exhibit D.

IV. CONCLUSION

55. Wherefore, the Parties to this Joint Settlement Petition, intending to be legally bound, respectfully request that the Commission approve without modification the terms of this Joint Settlement Petition as the resolution of the issues described herein.

Respectfully submitted,



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Date: June 17, 2025

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Application of:	:	
	:	
Frontier Communications Parent, Inc.,	:	
Commonwealth Telephone Enterprises LLC,	:	
Commonwealth Telephone Company	:	Docket Nos. A-2024-3051925
LLC d/b/a Frontier Communications	:	A-2024-3051926
Commonwealth Telephone Company,	:	A-2024-3051927
Frontier Communications of Breezewood, LLC	:	A-2024-3051929
Frontier Communications of Canton, LLC	:	A-2024-3051931
Frontier Communications of Lakewood, LLC,	:	A-2024-3051932
Frontier Communications of Oswayo River LLC,	:	A-2024-3051933
Frontier Communications of Pennsylvania, LLC,	:	A-2024-3051934
Citizens Telecommunications Company of	:	A-2024-3051935
New York, Inc.,	:	A-2024-3051936
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 APPLICANTS' STATEMENT
IN SUPPORT OF THE JOINT SETTLEMENT PETITION**

I. INTRODUCTION

On June 17, 2025, the parties to this proceeding submitted a Joint Settlement Petition pursuant to 52 Pa. Code § 5.232 setting forth their unanimous agreement to settle all issues. Frontier Communications Parent, Inc. with its wholly-owned subsidiaries certified by the Commission to provide regulated services in Pennsylvania (the "Frontier Pennsylvania Operating

Subsidiaries”) (together, “Frontier”) and Verizon Communications Inc. with its wholly-owned subsidiary created for the merger France Merger Sub Inc. (together, “Verizon”) (collectively, the “Joint Applicants”), submit this statement in support of the settlement, to be attached to the Joint Settlement Petition. Joint Applicants urge the Commission to approve this unanimous settlement. Resolution of this proceeding through settlement will conserve Commission and party resources by avoiding further litigation. This settlement provides a reasonable resolution of issues raised in response to the Joint Application and will allow for expeditious approval of this beneficial transaction. This settlement is in the public interest and should be approved without modification.

II. PROCEDURAL BACKGROUND

On October 31, 2024, Frontier and Verizon filed this Joint Application seeking Commission 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, resulting in a change of control of the Frontier Pennsylvania Operating Subsidiaries, which will become wholly-owned indirect subsidiaries of Verizon (the “Transaction”).¹ The Joint Application requested any required approvals 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.

The Commission published notice of the Joint Application in the Pennsylvania Bulletin on November 16, 2024, with a deadline for protests or interventions of December 2, 2024. The Office of Consumer Advocate (“OCA”) and the Broad Horizons Lot Owners’ Association

¹ The Agreement and Plan of Merger is attached as Exhibit 1.0-A to Verizon’s St. 1.0 (Direct Testimony).

(“BHLA”) filed Protests to the Joint Application, while the Office of Small Business Advocate (“OSBA”) filed a Notice of Intervention.

The issue in this proceeding is whether the Commission should approve the transfer of control of the Frontier Pennsylvania Operating Subsidiaries to Verizon. Under 66 Pa. C.S. § 1103(a), the Commission “shall” approve the proposed transfer of Frontier’s jurisdictional operations if it finds that the Transaction “is necessary or proper for the service, accommodation, convenience, or safety of the public,” which requires the Commission to find by a preponderance of the evidence that the transaction will result in an affirmative public benefit based on a weighing of net effects including any impact on competition.²

Following a telephonic prehearing conference on January 6, 2025, the presiding officers issued a prehearing order establishing a litigation schedule and discovery rules. This order also scheduled three public input sessions, in person in Quarryville (February 10), in person in Wellsboro (February 13), and two telephonic sessions (February 20, afternoon and evening). Six additional in person public input hearings were subsequently scheduled for Monroeville (March 6, afternoon and evening), Tunkhannock (March 11, afternoon and evening), and Philadelphia (March 17, afternoon and evening).

The Joint Applicants responded to multiple sets of discovery from OCA. The parties exchanged several rounds of written testimony between January 23 and April 23, 2025, consisting of Joint Applicants’ Direct Testimony, the other parties’ Direct Testimony, all party Rebuttal Testimony, and all party Surrebuttal Testimony. The parties agreed to waive cross-examination and appearance of all witnesses and admit the verified written testimony into the record by stipulation, which was accomplished at an in-person hearing attended by counsel on

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

May 1, 2025. There is therefore a robust evidentiary record to support the public benefits of the Transaction and this settlement.

This Federal Communications Commission approved this Transaction on May 16, 2025.³ The Department of Justice closed its review without taking action. The Transaction has also been approved by the state commissions of Connecticut, Minnesota, Nebraska, Nevada, Texas, Utah and Virginia. A decision is anticipated soon in Illinois. Applications are open at this time in Arizona, California, New York and West Virginia. No other state approvals are required.

III. THE TRANSACTION

A. Legal Standard for Approval

Pennsylvania law requires that the Commission “shall” approve a proposed transaction if it finds “affirmatively that public benefit will result from the merger.” *City of York v. PUC*, 449 Pa. 136, 140, 295 A.2d 825, 828 (1972); 66 Pa. C.S. § 1103. “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 by expert judgment)” to determine whether, on balance, the transaction will result in affirmative public benefit. *Popowsky v. Pa. PUC*, 594 Pa. 583, 611, 937 A.2d 1040 (2007). The Commission must consider the benefits and detriments (if any) as they impact all affected parties, not on one particular group or geographic area. *Middletown Twp. v. Pa. PUC*, 482 A.2d 674, 682, 85 Pa. Commw. 191, 202 (1984).

³ *In the Matter of Frontier Communications Parent, Inc. and Verizon Communications, Inc. Application for Consent to Transfer Control*, WC Docket No. 24-445 (Memorandum Opinion and Order Rel. May 16, 2025).

B. Record Evidence of Public Benefits

The evidentiary record contains ample evidence of affirmative public benefits from this Transaction, which taken together with the enhancements agreed to in this settlement support approval of the settlement and the Transaction. This evidence includes, but is not limited to, the following:

- **Managerial and Financial Fitness.** Verizon is managerially, technically, and financially well-qualified to assume ownership of Frontier's jurisdictional operations in Pennsylvania, as demonstrated by its established track record of delivering wireline and wireless voice and broadband services and other services in Pennsylvania and throughout the country. Verizon has an experienced management team, a number of whom are located in Pennsylvania. With a market capitalization of approximately \$164 billion, and revenues of approximately \$134 billion and free cash flow of \$18.7 billion in 2023, Verizon has the financial qualifications to undertake the Transaction and operate the Frontier companies and assets. Verizon St. 1.0 (Direct Testimony) at 25-27; Frontier St. 1-R (Rebuttal Testimony) at 15.
- **Stronger Company.** The parent level merger of Verizon and Frontier will create a larger, stronger, more efficient competitor and this will benefit all existing and prospective customers of both companies and the competitive market for telecommunications services generally. This transaction significantly expands Verizon's fiber footprint and enhances the opportunities for further expansion with Verizon's greater incentives and financial strength, accelerating the company's delivery of premium broadband and mobility services to current and new customers by providing the scope and scale that are essential to compete in the rapidly converging telecommunications industry. Verizon St. 1.0 (Direct Testimony) at 11-12; Verizon St. 1.1 (Rebuttal Testimony) at 3-6; Frontier St. 1 (Direct Testimony) at 8-9; Frontier St. 1-R (Rebuttal Testimony) at 5-8.
- **Finances.** Verizon is well-positioned to address potential financial, competitive, and other challenges that place at risk Frontier's continued ability to meet customer expectations in Pennsylvania. Verizon's ownership of Frontier will strengthen Frontier's financial and competitive position. Without the merger, Frontier's debt level will impact its ability to obtain additional debt or equity financing on favorable terms and make it harder for Frontier to keep investing in fiber at the level necessary to compete and meet the needs of its customers. Verizon St. 1.0 (Direct Testimony) at 15-17; Verizon St. 1.1 (Rebuttal Testimony) at 8, 24-27; Frontier St. 1-R (Rebuttal Testimony) at 4, 10-14.
- **Network Investments.** The Transaction will ensure that Frontier will be able to complete its currently-planned investments in fiber-to-the-premises technology within its Pennsylvania service territory and will give it the means to make additional network investments. The opportunity for the company to bundle wireless services

and take advantage of the convergence of wireless and wireline broadband networks will also provide incentives for further deployment. Verizon St. 1.0 (Direct Testimony) at 16-17; Verizon St. 1.1 (Rebuttal Testimony) at 4-8; Frontier St. 1-R (Rebuttal Testimony) at 4-8.

- **Network Resilience and Service Quality.** Following the close of the Transaction, Verizon will conduct an in-depth audit of Frontier’s fiber and copper networks, and will implement any measures that are necessary to align those networks with Verizon’s standards. Such measures are expected to increase the resilience of Frontier’s networks and improve the quality of service provided to its customers. The settlement contains specific details, commitments, and reporting requirements relating to this audit that will enhance this benefit. Verizon St. 1.0 (Direct Testimony) at 18, 32; Verizon St. 1.1 (Rebuttal Testimony) at 8, 33-35.
- **Service Availability.** The Transaction will make available to Frontier’s customers a wide variety of Verizon’s award-winning service offerings, including wireless and broadband service bundles not currently available from Frontier, innovative mix and match opportunities, and low-priced broadband offerings for income-qualified consumers (Verizon Forward). Currently, Frontier faces challenges competing against a growing number of competitors that are better resourced, have stronger brand recognition, and provide more service offerings than Frontier, such as the cable companies that can bundle their service offerings at competitive price points and provide customers with home broadband and mobile wireless service packages, which Frontier does not offer. Verizon St. 1.0 (Direct Testimony) at 18-22; Verizon St. 1.1 (Rebuttal Testimony) at 4-9; Verizon St. 1.2 (Surrebuttal Testimony) at 3-5; Frontier St. 1 (Direct Testimony) at 8; Frontier St. 1-R (Rebuttal Testimony) at 8-9.
- **Management and Customer Service.** Frontier’s Pennsylvania customers will also benefit from Verizon’s experienced management team and award-winning customer service. Verizon, as the operator of the two largest incumbent local exchange carriers (“ILECs”) in Pennsylvania and a state-wide wireless provider, is very familiar with how to operate networks in the state and how to best serve customers in line with the Commission’s requirements. The Transaction will extend Verizon’s award-winning customer service to Frontier’s customers. Verizon St. 1.0 (Direct Testimony) at 37-39; Verizon St. 1.1 (Rebuttal Testimony) at 9.
- **Employees.** The Transaction will provide continuity for Frontier employees, including the technicians that work on the company’s network. Verizon has a longstanding relationship and demonstrated experience working with both the Communications Workers of America (“CWA”) and International Brotherhood of Electrical Workers (“IBEW”), which represent employees at Verizon and Frontier, and Verizon is an established local exchange carrier in large parts of Pennsylvania already with its own skilled technicians and other employees in close proximity to Frontier’s Pennsylvania territory. Verizon St. 1.0 (Direct Testimony) at 39-40; Verizon St. 1.1 (Rebuttal Testimony) at 9; Frontier St. 1-R (Rebuttal Testimony) at 15.

- **Competition.** The Transaction will not materially reduce existing competition — since Frontier and Verizon currently compete with one another in only minimal respects — and indeed will foster competition by enhancing Frontier’s competitive strengths in comparison to competing cable, wireless, and other broadband providers. Verizon St. 1.0 (Direct Testimony) at 23-25; Verizon St. 1.1 (Rebuttal Testimony) at 10, 17; Frontier St. 1 (Direct Testimony) at 8-9; Frontier St. 1-R (Rebuttal Testimony) at 5-8.

The evidence of record demonstrates that the Transaction will result in affirmative public benefits in several material respects, will not adversely affect competition, and should be approved. As discussed below, the settlement will enhance and improve upon these benefits by providing certain details and commitments that build upon these benefits and allow for input from and information sharing with the public advocates. The record evidence of public benefits taken together with the additional commitments made in this settlement overwhelmingly support approval of the Transaction.

IV. THE TERMS OF THE SETTLEMENT ARE IN THE PUBLIC INTEREST AND SHOULD BE APPROVED WITHOUT MODIFICATION

The parties have reached a comprehensive, unanimous settlement resolving all of the issues to be decided in this proceeding. “It is the policy of the Commission to encourage settlements.” 52 Pa. Code § 5.231(a). The parties to this proceeding include the companies and the public advocates representing the interest of consumers and small business customers. They have thoroughly examined the record and the competing legal, policy, and factual arguments and have reached a reasonable compromise of the disputed issues in this matter. The terms of the settlement are in the public interest and should be approved without modification.

One of the primary benefits of the settlement is that it allows for prompt approval of the Transaction without the time, expense, and uncertainty of litigation. Prolonged and uncertain regulatory litigation over transaction approval not only delays realization of benefits for the public, but it also can drain company resources, distract management attention from serving

customers, and provide an opportunity for competitors to capitalize on the period of uncertainty – particularly in the highly competitive market for telecommunications services. Avoiding these negative consequences of protracted litigation is not only a benefit to the Joint Applicants, but also to the citizens of Pennsylvania and especially to the consumers and businesses in Frontier’s territory.

While in Joint Applicants’ view the existing evidentiary record already demonstrated affirmative public benefits sufficient to support Commission approval of the Transaction under applicable law, Joint Applicants also understand that the other Parties saw the need for more specific commitments and details surrounding the roll-out of some of the beneficial impacts of the Transaction. Joint Applicants are willing to agree to the settlement terms to address those concerns. Notably many of these commitments relate to unregulated services and would not be within the Commission’s authority to require, absent a settlement. These commitments build upon and enhance the public benefits of the Transaction, advance the public interest, and further support approval.

The full details of the settlement are described in the Joint Settlement Petition. A summary of each major settlement term and its public benefits follows:

- **Welcome Letter** – Verizon will send a welcome letter to Frontier customers within 45 days of closing and will review a draft with OCA and OSBA in advance. This term has the public benefit of ensuring that customers in Frontier territory will be advised of new options promptly, including the new low-income broadband discount, and allows the public advocates to have input on the substance of the communication.
- **Verizon Forward** – Verizon will advertise and make available in Frontier territory its low-income broadband discount for eligible customers within three months of closing (and more quickly, if possible, using reasonable commercial efforts) continuing for a four-year commitment period without diminishment in eligibility criteria or amount of the discount. During that time period, Verizon will also adopt in Pennsylvania any Verizon Forward related voluntary commitments made as part of receiving state and federal approvals of the Verizon-Frontier transaction in other jurisdictions. This term has the public benefit of providing

certainty surrounding the availability and terms of the Verizon Forward low-income broadband discount for customers in Frontier territory.

- **Audit** – While Verizon had already agreed as part of the Joint Application to conduct a post-closing audit of Frontier’s copper and fiber networks serving customers to ensure they meet Verizon’s standards, the settlement commits to very specific details and time frames for the audit and implementation plan based on the OCA’s input given its experience with Frontier service issues in the past. It also commits to preparing and sharing with OCA, OSBA and the Commission an Audit Report and a four-year Audit Implementation Plan and providing reports on capital expenditures, fiber deployment, and other issues, including public versions that can be used to keep constituents informed. This term has the public benefit of providing certainty and transparency regarding the scope and timing of the audit, an opportunity for the public advocates to review results, and a process for public disclosure of non-proprietary reports and plans. It also ensures that the advocates’ input is considered in defining the scope and activities of the audit given their prior experience.
- **Plant Maintenance Program** - Within nine months of closing and for a period of three years Verizon will adopt a plant maintenance program for Frontier territory based on an existing Verizon program through which technicians can submit reports of plant conditions needing additional maintenance and Verizon commits to specific remediation times. This term has the public benefit of improving plant maintenance and safety by providing a process for knowledgeable technicians to spot and report outside plant issues that could not be addressed within the scope of their daily assignment and ensuring that the conditions are reviewed, promptly remedied, and documented.
- **Frontier Commonwealth Settlement** – Verizon commits to adopting Frontier Commonwealth’s remaining responsibilities under its Commission-approved service quality settlement. While Verizon had agreed to this commitment in its testimony, this settlement term provides the public benefit of certainty and an enforceable commitment.
- **Broadband Deployment Programs** – Verizon will honor Frontier’s fiber deployment commitments under government funding programs it has already been approved to receive (RDOF, BIP, UHSB), will honor any future Frontier BEAD awards (whether received prior to or after closing), and will submit updated or renewed BEAD applications for broadband serviceable locations included in Frontier’s original applications if required. This term has the public benefit of providing certainty and a commitment regarding Verizon’s fulfillment of Frontier’s subsidized broadband awards and pursuit of Frontier’s opportunities.
- **Rate Cap** – Verizon will not increase Frontier’s tariffed residential and small business rates for two years (2026 and 2027 calendar year PSI filings). This term provides rate certainty to residential and small business customers of tariffed services.

- **BHLA System and Customers** – Verizon will conduct an expedited, independent fresh look through an in-depth study of the network, wire center, and other facilities providing telephone and DSL internet service to customers in the BHLA community, identifying and implementing any needed remediations or improvements and keeping in communication with BHLA’s representative. This term has the specific benefit of addressing the issues raised by BHLA on behalf of the residents of the community it represents and a process to improve their service.

V. CONCLUSION

For the foregoing reasons, Joint Applicants respectfully request that the Commission approve the Joint Settlement Petition without modification as the resolution of this proceeding.

Respectfully submitted,



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Dated: June 17, 2025

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,	:	Docket Nos. A-2024-3051925
LLC, Frontier Communications of	:	A-2024-3051926
Lakewood, LLC, Frontier Communications	:	A-2024-3051927
of Oswayo River LLC, Frontier	:	A-2024-3051929
Communications of Pennsylvania, LLC,	:	A-2024-3051931
Citizens Telecommunications Company of	:	A-2024-3051932
New York, Inc., CTSI, LLC d/b/a Frontier	:	A-2024-3051933
Communications CTSI, LLC, CTE	:	A-2024-3051934
Telecom, LLC, d/b/a Frontier	:	A-2024-3051935
Communications CTE Telecom Company,	:	A-2024-3051936
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.	:	

THE OFFICE OF CONSUMER ADVOCATE’S
STATEMENT IN SUPPORT OF
THE JOINT PETITION FOR APPROVAL OF SETTLEMENT

The Office of Consumer Advocate (OCA), one of the signatory parties to the Joint Petition for Approval of Settlement of all Issues (Joint Petition or Settlement), hereby files this Statement in Support of the Settlement before the Honorable Administrative Law Judge (ALJ) Steven K. Haas and the Honorable ALJ Erin L. Gannon and the Pennsylvania Public Utility Commission (Commission). For the reasons discussed herein, the OCA requests that the ALJs recommend for approval, and that the Commission approve, the Settlement without modification because the terms

and conditions are in the public interest and would result in a merger that would affirmatively promote the service, accommodation, convenience or safety of the public in some substantial way.

I. INTRODUCTION

The OCA is a statutory advocate with authority and duty to represent the interest of utility consumers as a party before the Commission. 71 P.S. § 309-4. The OCA's role in this case is to protect the interests of utility consumers by ensuring that the Commission appropriately exercises its authority to grant a certificate of public convenience only where a proposed merger will affirmatively promote the service, accommodation, convenience or safety of the public in some substantial way.

II. PROCEDURAL HISTORY

On October 31, 2024, Frontier Communications Parent, Inc. (Frontier Parent) with its wholly-owned subsidiaries certificated by the Commission to provide regulated telecommunication services in Pennsylvania (the Frontier Pennsylvania Operating Subsidiaries¹) (together, Frontier) 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), filed with the Commission ten applications at the above-captioned docket numbers. App. ¶ 1. The Joint Applicants are seeking Commission approval of a proposed parent-level transaction where Verizon seeks to acquire 100 percent ownership of Frontier pursuant to an Agreement and Plan of Merger dated September 4, 2024 (Transaction). *Id.* In pertinent part, consummation of the Transaction would result in the Commission-jurisdictional Frontier

¹ 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 (CTSI); CTE Telecom, LLC, d/b/a Frontier Communications CTE Telecom Company (Frontier CTE); and Frontier Communications of America, Inc. (FCA).

Pennsylvania Operating Subsidiaries (and other Frontier subsidiaries not located in Pennsylvania) becoming wholly owned, indirect subsidiaries of Verizon. *Id.*

The Frontier Pennsylvania Operating Subsidiaries include seven certificated incumbent local exchange carriers (ILECs), including Frontier Commonwealth, Frontier Breezewood, Frontier Canton, Frontier Lakewood, Frontier Oswayo, Frontier Pennsylvania, and Citizens NY (Frontier ILECs). Except for Citizens NY, the Frontier ILECs are subject to Chapter 30 Plan regulation, pursuant to 66 Pa.C.S. Section 3014. Citizens NY provides service in two exchanges, with the central office located in New York state. These Frontier ILECs provide service to customers and the public in all or parts of: Berks, Bedford, Bradford, Bucks, Chester, Columbia, Dauphin, Fulton, Lackawanna, Lancaster, Lehigh, Lycoming, Luzerne, McKean, Monroe, Montgomery, Northampton, Potter, Schuylkill, Sullivan, Susquehanna, Tioga, Wyoming, and York Counties. *See, App., Exh. B.* The Frontier Pennsylvania Operating Subsidiaries also include one competitive local exchange carrier (CLEC) – CTSI, with roughly 15,000 lines (copper or fiber), in the Scranton and Wilkes-Barre areas. *App.* ¶ 95.

As a corporate parent and an Applicant, Verizon acknowledges that it does not itself offer services in Pennsylvania. *App.* ¶ 10. Verizon notes that it is the ultimate parent of several regulated operating subsidiaries in Pennsylvania (Verizon Pennsylvania Operating Subsidiaries). *Id.* The Verizon Pennsylvania Operating Subsidiaries include two certificated telecommunication utilities or ILECs in Pennsylvania: Verizon Pennsylvania LLC (Verizon PA) and Verizon North LLC (Verizon North) (Verizon ILECs). The Verizon ILECs are subject to Chapter 30 Plan regulation, pursuant to 66 Pa.C.S. § 3014. The combined ILEC service areas of Verizon PA and Verizon North include portions of every Pennsylvania county, except Sullivan and Union. *See, App., Exh. B.* The Verizon Pennsylvania Operating Subsidiaries also include two certificated CLECs and two

interexchange carriers. App. ¶¶ 10, 94. The Application also references Verizon's unregulated operations and services in Pennsylvania, such as Verizon Wireless and Verizon Fios. App. ¶ 10, 42, 71, 76, 77.

On November 13, 2024, the OCA filed a Formal Notice of Intervention and Public Statement. On November 14, 2024, the Commission issued data requests to Verizon to review the instant transaction. *See Staff Inquiries for Review of Transactions under 52 Pa. Code §§ 63.321-63.325*, filed by and through Secretarial Letter dated November 14, 2024. On November 26, 2024, the Office of Small Business Advocate (OSBA) filed its Notice of Intervention and Public Statement. On December 2, 2024, the OCA and Broad Horizons Lotowners' Association (BHLA) filed their respective Protests.

On November 19, 2024, the Commission assigned this proceeding to the Office of Administrative Law Judge (OALJ) and further assigned this proceeding to ALJs Haas and Gannon. ALJs Haas and Gannon issued a Prehearing Conference Order on December 20, 2024, scheduling a telephonic Prehearing Conference for January 6, 2025, at 1:30 p.m. On December 23, 2024, the ALJs issued a second Prehearing Conference Order, directing parties to file and serve a Prehearing Memorandum on Friday, January 3, 2025. The Parties timely filed Prehearing Memoranda. ALJ Gannon conducted the Prehearing Conference on January 5, 2025.

On January 23, 2025, the Joint Applicants submitted direct testimony and furnished highly confidential Hart-Scott-Rodino (HSR) materials in response to OCA discovery requests. By Prehearing Order issued on January 28, 2025, the ALJs memorialized the agreements of the parties, including but not limited to the modified litigation schedule that memorialized the Joint Applicants' direct testimonies and HSR materials being due on January 23, 2025.

On March 6, 2025, the OCA served the written direct testimony of its expert witness, David Brevitz.² On the same date, BHLA also served written direct testimony. On April 3, 2025, Frontier and Verizon served written rebuttal testimonies. Also on April 3, 2025, the OCA served supplemental direct testimony of its expert witness, David Brevitz. On April 23, 2024, the OCA served written surrebuttal testimony of its expert witness, David Brevitz.³ On the same date, Frontier and Verizon submitted written surrebuttal testimonies. On April 29, 2024, Frontier and Verizon submitted its rejoinder outline to the parties.

The Commission hosted approximately ten (10) public input hearings for this Transaction, at which the OCA participated fully.

On May 1, 2025, ALJs Haas and Gannon convened and presided over the evidentiary hearings for the purpose of granting the parties' stipulation for admission of testimonies into the evidentiary record, given that the parties had agreed to waive cross examination of witnesses.

Frontier, Verizon, the OCA, the OSBA, and BHLA (collectively the Joint Petitioners) engaged in extensive settlement discussions in an attempt to resolve the issues presented in this proceeding. On or about June 10, 2025, the Joint Petitioners reached a complete settlement in principle that resulted in the Joint Petition for Approval of Settlement.

The OCA submits that the Settlement should be approved without modification as it is in the public interest and ensures that the Transaction would affirmatively promote the service, accommodation, convenience or safety of the public in some substantial way.

² Mr. Brevitz is an independent utility regulatory consultant, a Chartered Financial Analyst and has more than thirty years of experience in public utility regulatory practices and policies. Mr. Brevitz's consulting practice focuses on technical assistance to state utility commissions, consumer advocate offices and organizations, state attorneys general offices, and international telecommunications regulatory bodies.

³ The OCA has issued more than twenty-five (25) sets of interrogatories in this instant matter to review and investigate the Transaction.

III. THE TRANSACTION

A. Legal Standards for Transaction Approval

1. Section 1102/1103 of the Public Utility Code

Section 1102 of the Public Utility Code requires that the Commission issue a Certificate of Public Convenience as a legal prerequisite to offering service, abandoning service and certain property transfers by public utilities or their affiliated interests. 66 Pa.C.S. § 1102. Section 1102(a)(3) specifically requires a Certificate to be issued for a public utility to transfer its stock, by way of merger, sale or otherwise, to any person or corporation, when such merger or sale results in the transfer of the title, possession or use of property used in public utility service. 66 Pa.C.S. § 1102(a)(3); *see also* 52 Pa. Code § 69.901.

The Code requires that a certificate shall only be granted upon findings that the granting of such certificate is “necessary or proper for the service, accommodation, convenience or safety of the public.” 66 Pa.C.S. § 1103(a). The Supreme Court has interpreted this section of the Code as requiring a finding that a proposed merger will affirmatively benefit the public and specifically will “affirmatively promote the ‘service, accommodation, convenience or safety of the public’ in some substantial way.” *City of York v. Pa. Pub. Util. Comm’n*, 295 A.2d 825, 828 (Pa. Cmwlth. Ct. 1972) (*City of York*); *Popowsky v. Pa. Pub. Util. Comm’n*, 937 A.2d 1040, 1054-57 (Pa. 2007) (*Popowsky*).

Section 1103 of the Public Utility Code also allows the Commission to impose just and reasonable conditions upon the issuance of a Certificate of Public Convenience. Section 1103(a) of the Code provides: “The Commission, in granting such a certificate, may impose such conditions as it may deem to be just and reasonable.” 66 Pa.C.S. § 1103(a). Thus, the law provides that the Commission may wish to consider the imposition of conditions in order to ensure that the public interest standard is met.

2. Sections 3019/3011 of the Public Utility Code

Additionally, Section 3019(b) applies, which reserves the Commission’s power “[t]o condition the sale, merger, acquisition or other transaction required to be approved under section 1102(a)(3) ... of a local exchange telecommunications company or any facilities used to provide telecommunications services to ensure there is no reduction in the advanced service or broadband deployment obligations for the affected property or facilities.” 66 Pa.C.S. § 3019(b)(4). Section 3014(b)(2) describes the obligations of Frontier Commonwealth, Frontier Breezewood, Frontier Canton, Frontier Lakewood, Frontier Oswayo, and Frontier Pennsylvania, as well as Verizon Pennsylvania and Verizon North under their respective Chapter 30 plans to make broadband service, meeting at least the Section 3012 minimum definition, universally available to 100% of its retail access lines in its distribution network. 66 Pa.C.S. §§ 3012, 3014(b)(2).

Section 3011 describes the Commonwealth’s policy goals which include preservation of affordable, universally available local telephone service and encouragement of deployment of broadband networks and increased availability of advanced and broadband services, to improve the quality of life for all Commonwealth residents. 66 Pa.C.S. § 3011(1)-(8), (12).

3. Effect on Consumers

As certificated incumbent local exchange carriers (ILECs), the seven Frontier ILECs and two Verizon ILECs in Pennsylvania also have a “carrier of last resort” (COLR) obligation to offer voice telephone utility service under Section 1501 of the Public Utility Code. 66 Pa.C.S. § 1501. The Application acknowledges that the Frontier ILECs and Verizon ILECs are also designated by the Commission, pursuant to federal law, as “eligible telecommunications carriers” (ETCs). App. ¶ 119.

Given that the request for approval of the Transaction will substantially affect the interests of consumers served by the Frontier Pennsylvania Operating Subsidiaries and Verizon

Pennsylvania Operating Subsidiaries, the Commission must “consistent with its other statutory responsibilities, take such action with due consideration to the interests of consumers.” 71 P.S. § 309-5.

4. Settlements

The Commission’s policy promotes settlements. 52 Pa. Code §§ 5.231, 69.401. In order to approve a settlement such as proposed here, the Commission must determine that the proposed terms and conditions are in the public interest. *Pa. PUC v. City of Bethlehem – Water Dept.*, Docket No. R-2020-3020256 (Order entered April 15, 2021) (*City of Bethlehem*) at 13 (citing *Pa. PUC v. York Water Co.*, Docket No. R-00049165 (Order entered October 4, 2004); *Pa. PUC v. C. S. Water and Sewer Assoc.*, 74 Pa. P.U.C. 767 (1991) (*CS Water and Sewer*)). “It is the Commission’s duty to determine the public interest and to protect the rights of the public.” *Duquesne Light Co. v. Pa. PUC*, 715 A.2d 540, 546 (Pa. Cmwlth. Ct. 1998) (citations omitted). The Commission recognizes that settlements represent “a compromise of the positions held by the parties of interest, which, arguably fosters and promotes the public interest.” *CS Water and Sewer*, 74 Pa. P.U.C. at 771.

Proponents of an order bear the burden of proof. 66 Pa.C.S. § 332(a). Because the Joint Petitioners request that the Commission enter an order adopting the settlement without modification, they share the burden of proof to show that the terms and conditions of the settlement are in the public interest. 66 Pa.C.S. § 332(a); *City of Bethlehem* at 13. It is well-established that the “degree of proof before administrative tribunals as well as before most civil proceedings is satisfied by establishing a preponderance of the evidence.” *Lansberry v. Pa. PUC*, 578 A.2d 600, 602 (Pa. Cmwlth. Ct. 1990) (*Lansberry*). For a Commission decision to be supported by substantial evidence, it must be supported by such relevant evidence as a reasonable mind might accept as adequate to support a conclusion. *Dutchland Tours, Inc. v. Pa. PUC*, 337 A.2d 922, 925 (Pa.

Cmwlth. 1975) (*Dutchland*). The evidence must be substantial and legally credible, not mere “suspicion” or a “scintilla” of evidence. *Lansberry*, 578 A.2d at 602.

B. Record Evidence of Public Benefits

1. Public Input Hearing and the History of Frontier’s 2023 Customer Service Quality Case

As previously stated, the Commission hosted approximately ten (10) public input hearings (PIHs) for this Transaction on the following dates and times, at the following locations:

- February 10, 2025 - Quarryville, In-Person PIH, at 6 p.m.
- February 13, 2025 - Wellsboro, In-Person PIH, at 6 p.m.
- February 20, 2025 - Telephonic PIH at 1 p.m.
- February 20, 2025 - Telephonic PIH at 6 p.m.
- March 6, 2025 – Monroeville, In-Person PIH, 1 p.m.
- March 6, 2025 – Monroeville, In-Person PIH, 6 p.m.
- March 11, 2025 – Tunkhannock, In-Person PIH, 1 p.m.
- March 11, 2025 – Tunkhannock, In-Person PIH, 6 p.m.
- March 17, 2025 – Philadelphia, In-Person PIH, 1 p.m
- March 17, 2025 – Philadelphia, In-Person PIH, 6 p.m

Customer testimony included the following themes, as recounted in the Supplemental Direct Testimony of Mr. Brevitz:

- Consumers receiving poor service quality due in part to lines which are repeatedly damaged, spliced but not replaced.⁴ Consumers are aware of the source of the problems which include, in their experience, downed lines or trees on the lines which are not

⁴ OCA St. 1, Brevitz Direct Testimony at page 34, line 8, citing Public Input Hearing Transcript (hereafter Tr.) Tr. 184, line 12-25.

remedied, remote terminals not being repaired or upgraded and working pairs in short supply.⁵

- Consumers praise the Frontier technicians who they view as trying their best to restore reliable service but who are hampered by Frontier management directives and lack of investment, materials and approval to get outages repaired once and for all.⁶
- Consumers stating the Transaction should include specific commitments by Verizon to upgrade Frontier’s networks in Pennsylvania to improve service reliability, public safety,⁷ and the availability of broadband at speeds to meet modern needs.⁸
- Consumer questions whether Verizon would replace and upgrade/underground Frontier lines, modernize with fiber optics.⁹
- Parents and educators describing challenges faced in Frontier service areas to obtain an adequate broadband connection – whether at home, outside the house, or even in their vehicle parked at a strategic location and whether by wired or wireless connection.¹⁰
- Consumers stating they do not want to trade one “okay” provider for another “okay” provider,¹¹ and want specific promises and accountability with a commitment to minimum speeds for broadband to meet modern needs.

⁵ *Id.*, at page 54, line 14-17, citing Tr. 122, line 3-10; page 230, line 17-24.

⁶ *Id.*, at page 54, line 11-14, citing Tr. 71, line 8 to 72, line 15; Tr. 155, line 1-8; Tr. 119, line 19-120, line 16; Tr. 122, line 12-22; Tr. 155, line 1-8; Tr. 170, line 1-12; Tr. 229, line 15 to Tr. 230, line 24.

⁷ *Id.*, at 25, line 7, citing public input testimony that network outages impair public safety, access to 911, receipt of calls by county 911 center, emergency access to medical services. *See, e.g.*, Tr. 70, line 25 to page 72, line 13; Tr. 154, line 15-18; Tr. 156, line 14-24; Tr. 170, line 12 to line 20; Tr. 248, line 4 to page 250, line 24. Burdens shifted to first responders. *See, e.g.* Tr. 201, line 9-25; Tr. 242, line 20 to page 243, line 6; Tr. 248, line 13-21.

⁸ *Id.*, at 25, line 7-8, citing Tr. 52, line 10-15; Tr. 114, line 1-14; Tr. 139, line 5-12; Tr. 142, line 3-8; Tr. 144, line 3 to page 146, line 11; Tr. 155, line 2-14; Tr. 164, line 9-21; Tr. 166, line 16 to page 167, line 14.

⁹ *Id.*, at 25, line 8-12, citing, Tr. 103, line 1-9; Tr. 66, line 23 to page 67, line 13; Tr. 114, line 1-14; Tr. 170, line 1-12.

¹⁰ *Id.*, at 57, line 5-8, citing Tr. 236, line 25 to page 237, line 16.

¹¹ *Id.*, at 25, line 12-14, citing Tr. 52, line 16-21.

- Consumers expressed conditional support for the proposed acquisition by Verizon based on the need for Frontier to “step up” and fix its infrastructure, and for Verizon/Verizon Wireless to “take us to the next generation” which could be fiber.¹² “We need some guarantees that Verizon is going to take care of our residents and improve these services... Everybody’s paying their bills here, but it needs to be reliable, and we need that commitment.”¹³
- Consumers questioned why they receive unreliable service, in some cases out of service for weeks at a time, even though they pay their bills.¹⁴
- Consumers expressed concern that post-Transaction they might be charged more money for “the same old bad service that doesn’t work”¹⁵, or for the same service but the price keeps going up.¹⁶
- In the Wellsboro Public Input Hearing, Representative Owlett expressed the view that Frontier’s commitments in the Frontier Commonwealth Settlement should be viewed as “just a down payment” and that there should be substantial capital expenditure commitments as well to provide reliable modern communications services.¹⁷

Representative Owlett also coined the phrase “Frontier Fatigue¹⁸” during the Wellsboro PIH and was borrowed in other customer testimony, which stems from the service quality concerns in Frontier’s PA service territory area and the potential apathy of affected customers due to the same. For context, the OCA and OSBA had jointly filed a Formal Complaint against Frontier

¹² *Id.*, at 33, citing Tr. 157, line 2-14, and Tr. 169, line 18-25; Tr. 170, line 1-12.

¹³ *Id.*, at 33-34, citing Mr. Marc Rice on behalf of the Tioga Board of Commissioners, Tr. 157, line 2-12.

¹⁴ *Id.*, at 34, citing Tr. 169, line 18-25, Tr. 170, line 1-12.

¹⁵ *Id.*, at 34, citing Tr. 170, line 1-12.

¹⁶ *Id.*, at 34, citing Tr. 186, line 19-25, Tr. 187, line 1-17, Tr. 68, line 1-3, Tr. 70, line 19-24, Tr. 79, line 1-5.

¹⁷ *Id.* at 25-26, citing Tr. 107, line 11 to page 109, line 15.

¹⁸ Tr. 108, line 25 to page 109, line 3.

Commonwealth on behalf of the public, including residential and small business customers, with the Commission on January 9, 2023. *See* Docket No. C-2023-3037574 (Frontier 2023 Case). The Joint Complaint focused on the quality and reliability of Frontier Commonwealth’s service, including promptness of repairs and the Frontier’s insufficient investment to maintain and improve their network and facilities. By and through settlement, the parties to the Frontier 2023 Case crystallized various commitments including but not limited to service credits following outages, investments in infrastructure, and review and reporting requirements for infrastructure. *See* Jt. Pet. For Settlement, Frontier 2023 Case.¹⁹ Thus, it is and was critical to the OCA that any acquisition of Frontier, particularly in the Frontier Commonwealth service territory, provide benefits to this already “fatigued” consumer base, which this Settlement provides.

2. Verizon’s Averred Benefits of Transaction

Verizon has averred both through its filings, testimonies, and discovery responses that its benefits in acquiring Frontier in Pennsylvania include but are not limited to their ability to provide innovative customer service, rely on their stronger financial position for better support of debt and obligations, as well as offer various Verizon-specific programs. App. ¶¶ 59, 66-67, 37-42.

Verizon has also averred that its ability to provide services such as bundled services, a service called “myHome,” streaming content upgrades, and increased troubleshooting for fiber customers are benefits to support Commission approval of this Transaction. App. ¶¶ 73, 77-78, 97. The OCA has respectfully disagreed with these assertions during the pendency of this case, as the services provided in this manner are only for those customers who can successfully install fiber

¹⁹ <https://www.oca.pa.gov/wp-content/uploads/Joint-Petition-for-Approval-of-Settlement-and-Statements-in-Support.pdf>

and ignore those customers under the Commission’s jurisdiction for basic voice service.²⁰ Thus, achieving a settlement that commits Verizon to additional service benefits for consumers receiving Commission-jurisdictional service was integral to achieving an overall resolution of this case and is further explained and supported by the analysis below.

3. Frontier’s Averred Benefits of Transaction

Frontier subscribes and supports the benefits that Verizon avers are benefits of the Transaction as outlined above. Additionally, Frontier has averred that Verizon will be able to build more fiber than Frontier is able to build in Pennsylvania. Frontier St. 1-R, 4. Frontier has also asserted that the Transaction will allow Verizon to utilize “its greater financial and human resources and expertise to not only strengthen Frontier’s financial and competitive position, but also expand customer choices in Pennsylvania.” Frontier St. 1SR, 10. The OCA has respectfully disagreed with these assertions during the pendency of this case, as the services provided in this manner are only for those customers who can successfully install fiber and ignores those customers under PUC jurisdiction for basic voice service. Thus, achieving a settlement that commits the Joint Applicants to additional benefits was integral to achieving an overall resolution of this case and is further explained and supported by the analysis below.

²⁰ Basic voice service originated as the traditional landline telephone system using analog signals transmitted over copper wires. Technology has evolved over time such that basic voice service can be provided for example using Voice over IP or “VOIP.”

IV. THE SETTLEMENT IS IN THE PUBLIC INTEREST AND SHOULD BE APPROVED

While the OCA does not address all issues addressed by the Settlement in this Statement in Support, the OCA does not oppose terms and conditions not expressly addressed herein. The OCA submits that the Settlement, taken as a whole, is a reasonable compromise in consideration of likely litigation outcomes before the Commission. The OCA submits that the Settlement is in the public interest and ensures that the Transaction will affirmatively promote the service, accommodation, convenience or safety of the public in some substantial way. Accordingly, the OCA supports Commission approval of the Settlement without modification.

1. Verizon Forward (discounted broadband for qualifying low-income customers) (§§ B, 21-23)

Paragraphs 21-23 of Settlement provide that:

21. Within three months (and more quickly if possible using reasonable commercial efforts) following the closing of the transaction and continuing for a period of four years thereafter (Commitment Period), Verizon will:

a. Make Verizon Forward available to all households (wireless and wireline) in the Frontier ILEC service areas that are eligible for the discount in terms of technology and income as described in Verizon St. 1.0, p. 19 and Verizon St. 1.2, p. 3-5, which states as follows:

i. Qualified for one of these assistance programs within 180 days prior to application:

1. Lifeline – income is 135% or less than the Federal Poverty Guidelines or use SNAP, Medicaid, or other programs
2. Specific Supplemental Nutrition Program for Women, Infants and Children (WIC)

ii. Received a Federal Pell Grant within a year prior to application.

b. Commence on advertising the availability and terms of the Verizon Forward offering throughout the Frontier service areas.

22. Verizon will commit during the Commitment Period to continue to offer Verizon Forward to its customers in Frontier territory without diminishment in (a) eligibility criteria, as defined above in paragraph 2a above, or (b) value of discount on broadband that Verizon offered in Pennsylvania as of September 4, 2024, which

in the interest of clarity was at least a \$20 discount (without autopay) and up to \$40 discount (with autopay) to reach the lowest available price of \$20 when combined with federal Lifeline. For avoidance of doubt, (c) the amount of the discount offered by Verizon as of September 4, 2024, was a \$20 discount without autopay or a \$30 discount with autopay, and these discounts are not dependent upon the continuation of the federal Lifeline program; and (d) should the federal Lifeline program no longer exist without an equivalent replacement during the Commitment Period, the amount of the discount that Verizon will offer to eligible customers must not be less than the discounts specified in 4(c) above.

23. If, as part of receiving state and federal approvals of the Verizon-Frontier transaction, Verizon makes voluntary commitments in other jurisdictions relating to Verizon Forward to expand service eligibility, increase the discount, or otherwise improve or enhance the value of the Verizon Forward service (Verizon Forward Enhancements), then for the Commitment Period, Verizon will apply the Verizon Forward Enhancements to its customers and Frontier customers in Pennsylvania to the extent there is no conflict with the provisions of this Settlement.

Settlement ¶¶ 22-23.

The Joint Applicant's put forth Verizon Forward as an affirmative public benefit in their litigation and application. App. ¶¶ 69-72. The Joint Applicants explained that while Frontier only offered Federal Lifeline programs to its consumers, Verizon offers "a voluntary, nationwide low-income pricing option, which greatly enhances the affordability of home internet service for eligible customers," called Verizon Forward. App. ¶ 70. The OCA applauded Verizon for this offering in its testimony, but the OCA also explained that Verizon Forward is "significantly limited by the reach of current and planned fiber or Fixed Wireless Access broadband facilities in Frontier's Pennsylvania operating areas." OCA St. 1, p. 37 (Public Version).

Thus, achieving a settlement that commits Verizon to maintaining the Verizon Forward program and oblige Verizon to fund the program even in the face of uncertain federal funding was an integral part of achieving an overall resolution of this case. The Settlement clarifies that Verizon's original Verizon Forward Program will be offered in the acquired territories and funded by and through subsidy and/or the Company should federal funding cease. As such, the OCA

submits that as a part of an overall this provision of the Settlement represents a reasonable compromise between the parties and is in the public interest.

2. Audit of Frontier’s Fiber and Copper Networks (¶¶ C, 24-32)

The Settlement provides that Verizon will complete an in-depth audit of Frontier’s fiber and copper networks serving customers in Pennsylvania (Verizon Audit or Audit):

24. Within ten months following the closing of the transaction, Verizon will complete an in-depth audit of Frontier’s fiber and copper networks serving customers in Pennsylvania (Verizon Audit or Audit). Joint Application, Paragraph 65. The purpose of the Verizon Audit is for Verizon to evaluate the reliability and performance of Frontier’s network and identify areas of infrastructure in need of repair, modernization, and/or upgrade. The Audit will include consideration of best practices with respect to pole inspections and removal of double poles. The Parties agree that the key issues of concern to be identified and addressed in the Audit include the following for all seven Frontier ILECs:

- a. Remote Terminals/Batteries Inspection.
 - i. Inspection of a representative sample of remote terminals, including but not limited to batteries, in the six Frontier ILEC service territories other than Frontier Commonwealth. Each sample shall be a subset of the target population of remote terminals/batteries that exhibit a high potential for failure, troublesome conditions, or other areas of concern in each ILEC service territory. The sample shall be selected as guided by data and/or reports from frontline personnel regarding high potential for failure, troublesome conditions, or other areas of concern;
 - ii. In the Frontier Commonwealth service territory, inspection of remote terminals/batteries will occur for any and all remote terminals not already inspected by Frontier pursuant to the Frontier Commonwealth Settlement. With regard to batteries marked as “not passing” or at risk of failure in Frontier Commonwealth’s most recent compliance reports regarding battery inspections, Verizon will inspect those batteries and remote terminals as well;
- b. Identification through data and reports from frontline personnel of Frontier outside plant and central office facilities in Pennsylvania experiencing service- affecting troubles in the past 12 months and prioritization of remediation efforts at those locations facing chronic and ongoing troubles or exhibiting high potential for failure;

- c. Visual inspection of facilities experiencing chronic and ongoing trouble reports or exhibiting high potential for failure identified in subparagraph b, above;
- d. Identification of causes of troubles such as deterioration, wildlife, vehicles or weather, or vandalism/theft, specifically including:
 - i. Corroded or broken outside plant,
 - ii. Necessary pole replacements (broken, rot, or other),
 - iii. Vegetation management, removal of trees/branches from cables,
 - iv. Cables that require raising, relashing, or reattachment,
 - v. Bad splices/splice cases,
 - vi. Battery replacements/remote terminals,
 - vii. Compressor replacement,
 - viii. Central office HVAC systems and battery systems;
 - ix. Any other causes identified.
- e. Identification of plant conditions indicating need of additional maintenance or rehabilitation/upgrade and plan to accomplish same;
- f. Identification of best practices and plan to avoid repeat trouble tickets;
- g. Identification of best practices and plan to avoid missed appointments;
- h. Identification of best practices and plan for sealing plant from weather and wildlife to minimize service events; and,
- i. Any other related service-affecting conditions.

25. Verizon will report to the OCA and OSBA when the Audit has commenced and include an overview of Verizon's Audit plan addressing the network Audit scope (above), and identification of Verizon's target date for completion of the Audit.

Settlement ¶¶ 24, 25.

The Settlement clearly establishes that Verizon will review the Frontier network with key concerns raised by and through consumer testimony in this proceeding, as discussed *supra*, and based on the OCA's review of the record. Following the close of the transaction, Verizon's

litigation position was simply a commitment to conduct an in-depth audit of Frontier’s fiber and copper networks and 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.” App. ¶ 65. The OCA expressed concern as to what the audit’s focus might be, that the Joint Applicants were not committing to sharing the audit’s outcome with the parties and Commission, and maintained the same as its litigation position throughout this case. OCA St. 1, 27 (Public Version); OCA St. 1-SR, 14 (Public Version). Despite the same, Verizon would only commit to “conduct a thorough audit of Frontier’s Pennsylvania network and operations **after the Transaction closes** and to bring Verizon’s advanced tools and technologies as well as its management strength and award-winning customer service to Frontier’s operations.” Verizon Panel SR 1.2, p. 9 (emphasis added).

However, by and through this Settlement, the Joint Petitioners agree to important areas of inspection and review in the Audit, and Verizon makes specific commitments to reviewing facilities in the Frontier ILEC service areas that impact the service quality of basic voice service under the Commission’s jurisdiction. Settlement ¶ 24(a)(i). Verizon has made commitments to transparency and continued communication with the statutory advocates regarding the Audit’s progress and target date for completion. Settlement ¶ 25. Achieving a settlement that commits Verizon to conduct a meaningful Audit that reviews key concerns raised by and through consumer testimony in this proceeding, as discussed *supra*, was an integral part of achieving an overall resolution of this case. As such, the OCA submits that as a part of an overall resolution of the proceeding this provision of the Settlement represents a reasonable compromise between the parties and is in the public interest.

Pursuant to the Settlement Agreement, Verizon commits to the following:

26. Within six months following the completion of the Audit (and more quickly if possible using reasonable commercial efforts), Verizon will provide the OCA and OSBA with a report of the Audit results (Audit Report), inclusive of Audit findings and Verizon's proposed measures and proposed timeline to rehabilitate and upgrade facilities where indicated by the Audit, and align Frontier's networks with Verizon's standards. See, Joint Application, Paragraphs 51-65. For a period of three years following the closing of the Transaction, Verizon agrees to summarize the reports from frontline personnel specified in paragraphs 5a and b for the OCA upon request, with appropriate confidentiality designations.

Settlement ¶ 26.

By and through this provision, the Joint Petitioners agreed that Verizon will communicate the findings regarding the Audit to OCA and OSBA and will also continue receiving input from frontline personnel regarding the Audit's areas of concern and scope for the next three years. *Id.* The Joint Applicants' litigation position was that Verizon had superb frontline programs that would be available post-Transaction in Frontier's Service territory. App. ¶¶ 87, 88. Achieving a settlement that commits Verizon to remaining open to frontline feedback post-Audit as well as open communication regarding the same is and was an integral part of achieving an overall resolution of this case. As such, the OCA submits that as a part of an overall resolution of the proceeding this provision of the Settlement represents a reasonable compromise between the parties and is in the public interest.

Verizon also commits to using the Audit findings in the Audit report to inform and initiate a four-year implementation plan (Audit Implementation Plan). In particular, Paragraph 27 of the Settlement provides:

27. After completion of the Audit, Verizon commits to using the Audit findings in the Audit Report to inform and initiate a four-year implementation plan (Audit Implementation Plan). Within four months following the completion of the Verizon Audit Report, Verizon will provide a draft/tentative Audit Implementation Plan to the OCA and OSBA.

Settlement ¶ 27.

Throughout this case, the Joint Applicants' litigation position was that there would be a post-Transaction Audit and that Verizon would implement its services, informed by the Audit but without specific commitments or parameters to consider. *See* Verizon Panel SR 1.2, p. 9; OCA St. 1, p. 27 (Public Version); OCA St. 1-SR, p. 14 (Public Version). The OCA's litigation position was that Verizon's commitment to a post-Transaction Audit in its general concept was not a benefit at all, as:

This "benefit" is completely unknown since Verizon indicates the "in-depth audit" will only happen after closing of the proposed transaction. This deprives the public and the Commission of any ability to estimate and understand the scope of this benefit to the extent it exists at all. Verizon has made no commitment whatsoever to specific, granular or measurable commitments for investment to restore and provide modern reliable communications services in the Frontier service areas in Pennsylvania, which has been documented as needed by consumers in the Public Input Hearings to date.

OCA St. 1, p. 27, lines 7-13 (Public Version).

The OCA expressed concern as to the lack of granularity further, with Mr. Brevitz testifying that:

Verizon [stated that] "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 of the [tools and technologies], as needed, to align, to the extent necessary, the networks with Verizon's standards, which will benefit customers in the Frontier Pennsylvania footprint. Verizon intends to ensure that the network in Pennsylvania meets Verizon's high standards." Verizon provides no indication whatsoever of what its "high standards" consist of what information Verizon gained about Frontier's network standards through its in due diligence, and whether there are even any important differences at all between Verizon's network and Frontier's "cutting edge network". Verizon's language leaves open the possibility there are few if any differences, when it states, "as needed" and "to the extent necessary". Unfortunately, when the OCA asked for more details on specific benefits to consumers in Pennsylvania, Verizon used this language as a rote response rather than providing any specific information.

OCA St. 1, pp. 29-30 (Public Version).

Thus, achieving settlement that commits Verizon to show how its analysis and application of what is learned by and through the Audit to the parties (and eventually the Commission) is and was an integral part of achieving an overall resolution of this case. As such, the OCA submits that as a part of an overall resolution of the proceeding this provision of the Settlement represents a reasonable compromise between the parties and is in the public interest.

Verizon also commits to meeting with the OCA and OSBA within ninety (90) days following Verizon's provision of a draft Audit Implementation Plan that allows for feedback from the parties herein. In particular, Paragraph 28 of the Settlement provides:

28. After providing the draft Audit Implementation Plan, Verizon will schedule a meeting with the OCA and OSBA to occur within 90 days of providing the draft Audit Implementation Plan at a mutually agreed date, time and location to allow for further discussion, sharing of information pertaining to the Verizon Audit, Audit Report, and draft Audit Implementation Plan and Verizon's measures to align Frontier's networks with Verizon's standards, and answering questions of the OCA and OSBA. OCA commits to providing feedback at the scheduled meeting. Verizon commits to consider in good faith the incorporation of the advocates' feedback provided at the meeting to develop the final Audit Implementation Plan.

Settlement ¶ 28.

Throughout the litigation of this case and as explained above, the Joint Applicants only promised to conduct an audit post-Transaction, and did not commit to providing the results of the same to the parties in this case and/or the Commission. The OCA's litigation position was that the promise to conduct an audit was not a benefit for purposes of Sections 1102 and 1103 analysis in this case. *See* OCA St. 1, 27-30 (Public Version). Thus, achieving settlement that not only shares the Audit results with the OCA but also incorporates a manner to allow for OCA feedback is and was an integral part of achieving an overall resolution of this case. As such, the OCA submits that as a part of an overall resolution of the proceeding this provision of the Settlement represents a reasonable compromise between the parties and is in the public interest.

The Settlement further provides that Verizon will develop and share a final Audit Implementation Plan that, among other things, explains its plans as informed by the audit and more. In particular, Paragraphs 29 and 30 of the Settlement provide:

29. Verizon commits to develop a final Audit Implementation Plan and agrees to submit, subject to appropriate confidentiality protections, a final Audit Implementation Plan with the PUC in this docket and serve a copy to the OCA and OSBA no later than one month following the meeting described in paragraph 9. Verizon will also submit a public version of the final Audit Implementation Plan with the PUC in this docket containing an executive summary of the same that contains the OCA's public comments to the final Audit Implementation Plan as an attachment. This agreement does not preclude Verizon from addressing identified issues during the course of the Audit and/or during the preparation of the Audit Report or Audit Implementation Plan and any such repairs or replacements will be identified in the Audit Implementation Plan.

30. The final Audit Implementation Plan will be a single comprehensive document that must provide the following information for each of the former seven Frontier ILECs:

- a. Identify plans for addressing the Audit findings in the Audit Report.
- b. Identify Verizon's plans for addressing areas of aging copper and other network and support infrastructure in need of repair or replacement consistent with the findings of the Audit, including broad gauge estimates of the capital and expense costs of such repairs, upgrades or improvements and any plans to implement ongoing inspection programs consistent with what is done in Verizon's existing territory.
- c. Identify Verizon's plans for addressing central offices in need of repair or improvement (e.g., HVAC systems, battery systems, back-up power systems, etc.) consistent with the findings of the Audit including broad gauge estimates of the capital and expense costs of such repairs, upgrades or improvements.
- d. Report on Verizon's fiber deployment efforts and plans on a calendar year basis for the year ending December 31, 2026. This report will state for Frontier's territory in Pennsylvania, by Frontier ILEC, the number of fiber miles added to the network, the number of households passed in each Frontier ILEC by the additional Verizon fiber, and a map showing the additional locations "open for sale" due to the additional Verizon fiber for consumer wireline services.
- e. Identify Verizon's plans to address areas of Frontier's network that were subject to a prior mandatory commitment of Frontier to repair or improve (e.g. pursuant to Frontier Commonwealth Settlement at Docket

No. C-2023-3037574) but were not repaired or improved by Frontier, if any, prior to closing of the transaction.

- f. Review Frontier’s planned, RDOF-committed 2025 fiber deployment locations, as contained in Frontier’s response to Highly Confidential OCA V-1 in this docket, to identify which locations if any Frontier did not deploy fiber prior to the Transaction closing, and identify Verizon’s plans for deploying fiber to such locations.

Settlement ¶¶ 29, 30.

The Joint Applicants’ litigation positions were that they would conduct a post-Transaction Audit and let that guide Verizon in its management of its acquired assets. *See* OCA St. 1, p. 29 (Public Version). As the OCA explained in its testimony:

Verizon [provided] no details of the nature of its “audit”, whether any kind of report will be produced from the “audit”, what the nature of the report might be if one is produced, and whether the “audit” report of Frontier’s Pennsylvania networks and facilities will be provided to the Commission. The Commission should not be put off by Verizon from any of the insights Verizon has gained from its due diligence and integration planning to date by vague reference to an “audit” which may or may not result in information the Commission can review and act upon.

OCA St. 1-SR, p. 15 (Public Version).

Thus, an audit containing information that the Commission may review and act upon thereafter is and was an integral part of achieving an overall resolution of this case. Verizon’s commitment to producing executive summaries that are available to the public will enable consumers to have more information following the Transaction and Audit. Settlement ¶ 29. As such, the OCA submits that as a part of an overall resolution of the proceeding this provision of the Settlement represents a reasonable compromise between the parties and is in the public interest.

In addition to the Audit, Audit Report, and Audit Implementation Plan, Paragraph 31 of the Settlement provides for additional annual reporting following the Transaction closing, as follows:

31. Verizon [also] commits to the following additional annual reporting following the Transaction closing:
 - a. Provide an annual report in the PUC docket and serve a copy to the OCA and OSBA containing an update on the information in paragraph 11(d)

above on a calendar year basis for two years ending December 31, 2027 and December 31, 2028.

- b. For a period of three years following the close of the Transaction, provide an annual report in the PUC docket and serve a copy to the OCA and OSBA reporting the total capital expenditures by dollar amount in Pennsylvania for the prior fiscal year for the Frontier ILECs. These capital expenditures shall be broken down separately by Frontier ILEC in Pennsylvania, and by inside and outside plant expenditures. The outside plant expenditures will be further broken down by copper or fiber optic cable (or other serving technology separately identified), offset by grant subsidy funding (e.g., RDOF, BEAD) if applicable. Construction build type (aerial, underground or buried) will also be separately broken down. Verizon shall further report any ongoing planned or occurring capital expenditures by dollar amount in the Frontier service territories in Pennsylvania for the next fiscal year, broken down separately by Frontier ILEC in Pennsylvania, by inside and outside plant, and copper or fiber optic cable.

Settlement ¶ 31.

Frontier's litigation position was that acquisition was favorable and provided a benefit because "the Transaction will enable Frontier to be part of a larger, better capitalized Company with a breadth of expertise and resources that will enable Frontier to more effectively compete (and survive) in a hyper-competitive communications marketplace." Frontier St. No. 1-R, p. 8. Frontier also averred that access to Verizon's capital would serve as a benefit to consumers. *Id.* at 9. The OCA's litigation position, by and through Mr. Brevtiz' testimony, was that Verizon should provide more "particular and enforceable commitments" because "consumers and members of the public who would be impacted by the service provided post-transaction want firm commitments by Verizon to make capital investments, upgrade Frontier's networks, and take other steps to concretely and promptly improve the safety and reliability of Frontier services for consumers and the public, post-transaction." OCA. St. 1, p. 7; OCA St. 1-SR, p. 11.

Thus, a period of reporting that demonstrates Verizon's capital expenditures is and was an integral part of achieving an overall resolution of this case. Settlement ¶ 31. Verizon has also

committed to reviewing and reporting on capital expenditures for each acquired Frontier ILEC. *Id.* This Settlement provision will demonstrate how Verizon is optimizing its resources to invest in its acquired infrastructure for a period of three years post-Transaction. As such, the OCA submits that as a part of an overall resolution of the proceeding this provision of the Settlement represents a reasonable compromise between the parties and is in the public interest.

Verizon also agreed to implement a Plant Maintenance Program for a period of three years following the close of the Transaction. In particular, Paragraph 32 of the Settlement provides:

32. Plant Maintenance Program.

- a. Within nine months of the close of the Transaction and for a period of three years following the close of the transaction, Verizon will adopt a plant maintenance program for Frontier's legacy network through which technicians can submit plant conditions needing additional maintenance to Verizon through a system comparable to Verizon's National Operations Quality Inspection system that records and documents the conditions. Verizon shall review the submissions to the system, and within 90 days of receiving a submission under the program must perform plant rehabilitation or maintenance to address the reported conditions. Exceptions would exist for duplicate submissions and conditions related to other providers' networks. Subject to such exceptions, Verizon shall resolve at least 75% of the submissions within the 90-day period. Final resolution may consist of repair, replacement, or a reasonable conclusion that no further action is appropriate. When no further action is the final resolution, Verizon shall retain a record of the reasonable conclusion that led to that result.
- b. Verizon will provide a spreadsheet or similar report to the Commission after six months and one year (and on request after that), and serve a copy of each report on the OCA and OSBA, showing each submission and date, the condition identified, the location of the wire center, the remedy or repair and date of resolution.

Settlement ¶ 32.

Please see the discussion regarding Settlement ¶¶ 24-25, above, as applicable here for Settlement ¶ 32. Achieving a settlement that commits Verizon to receive, respond, and report to

the parties and Commission based on frontline personnel tickets is and was an integral part of achieving an overall resolution of this case. The OCA appreciates this commitment to continuing its Plant Maintenance Program in Pennsylvania, where it was originally incepted, as evidenced on Docket No. P-2015-2509336. Verizon commits to resolve at least 75% of the submissions within the 90-day period, as well as providing reports to the OCA and OSBA regarding the tickets thereafter. *Id.* The OCA respectfully avers that this program is in the best interest of consumers in the acquired service territory and would not have existed but for this Settlement provision. As such, the OCA submits that as a part of an overall resolution of the proceeding this provision of the Settlement represents a reasonable compromise between the parties and is in the public interest.

3. Frontier Commonwealth Settlement (¶ D, 33)

Paragraph 33 of the Settlement provides:

33. Verizon agrees to assume the responsibilities and obligations of Frontier Commonwealth in the Frontier Commonwealth Settlement immediately upon closing, with the understanding that the Settlement only applies to the entity Commonwealth Telephone Company LLC.

Settlement ¶ 33.

Although it may not be disputed in this proceeding that Verizon must assume Frontier's obligations in the Frontier Commonwealth Settlement, this provision of the Settlement guarantees Verizon's commitment to doing so. In addition, in the Settlement, Verizon also agreed to address areas of Frontier's network that were subject to a prior mandatory commitment of Frontier to repair or improve (e.g. pursuant to Frontier Commonwealth Settlement at Docket No. C-2023-3037574) but were not repaired or improved by Frontier, if any, prior to closing of the Transaction. Settlement ¶ 30(e). The Settlement provides continued commitment to the outcomes achieved in the Frontier 2023 case and continued improvement on any outstanding obligations related thereto.

Achieving a settlement that commits Verizon to continue the obligations as expounded in the Frontier 2023 Case settlement was an integral part of achieving an overall resolution of this case. As such, the OCA submits that as a part of an overall this provision of the Settlement represents a reasonable compromise between the parties and is in the public interest.

4. Post-Acquisition Consumer Benefits, Monitoring, Network and Service Improvements (¶¶ E, 34-36)

In the Settlement, the parties agreed that Verizon will honor Frontier's obligations to deploy upgraded fiber connections for funding that Frontier has applied to receive and is awarded under the Broadband Equity, Access, and Deployment (BEAD) program. In particular, Paragraphs 34-36 provide as follows:

34. Verizon will honor Frontier's obligations to deploy upgraded fiber connections for funding Frontier has already been approved to receive under the following government subsidized broadband deployment programs: Rural Development Opportunity Fund (RDOF), Broadband Infrastructure Program (BIP), and Unserved High-Speed Broadband Funding Program (UHSB).

35. Verizon will honor Frontier's obligations to deploy upgraded fiber connections for funding that Frontier has applied to receive and is awarded under the Broadband Equity, Access, and Deployment ("BEAD") program (whether received prior to or after the closing of the Transaction) and will provide the following:

a. Within three months of the date that BEAD awards in Pennsylvania are final, Verizon will provide a report to OCA and OSBA detailing the locations in Frontier's territory where Frontier/Verizon is obligated to deploy fiber to the full extent allowed by BEAD rules and guidelines.

b. Within three months of the date that BEAD awards in Pennsylvania are final, Verizon will make best efforts to provide a report to OCA and OSBA from public information detailing the locations in Frontier's territory where a party other than Frontier/Verizon is obligated to deploy fiber.

36. If the BEAD program or its successor requires a new, renewed, or updated application post-closing of the transaction, Verizon commits to submitting a new, renewed, or updated application for the broadband serviceable locations already identified in Frontier's current applications to the BEAD program.

Settlement ¶¶ 34-36.

Verizon's witness Paul Vasington had testified that all [BEAD] commitments will be honored and the proposed Transaction will not affect Verizon's or Frontier's respective plans (if any) for participating in BEAD opportunities. Panel Testimony (Vasington), page 17, line 5-19; Frontier Ellis Direct, page 10-11. Mr. Brevitz, in response, had testified that this commitment was a mere promise to continue the status quo of what had been filed for prior to the close of the Transaction. OCA St. 1 (Brevitz, Direct), page 26, lines 10-14 (Public Version). However, paragraph 35 of the Settlement expands on this commitment:

- a. Within three months of the date that BEAD awards in Pennsylvania are final, Verizon will provide a report to OCA and OSBA detailing the locations in Frontier's territory where Frontier/Verizon is obligated to deploy fiber to the full extent allowed by BEAD rules and guidelines.
- b. Within three months of the date that BEAD awards in Pennsylvania are final, Verizon will make best efforts to provide a report to OCA and OSBA from public information detailing the locations in Frontier's territory where a party other than Frontier/Verizon is obligated to deploy fiber.

Settlement ¶¶ 35a-b.

Since the filing of the Joint Application, the availability of federal funding has also become more uncertain. However, the settlement memorializes that, should the BEAD program or its successor require new, renewed, or updated applications post-closing of the Transaction, Verizon will submit new, renewed, or updated applications for the broadband serviceable locations already identified in Frontier's current applications to the BEAD program. Settlement ¶ 36.

Achieving a settlement that commits Verizon to seeking maximal subsidy was an integral part of achieving an overall resolution of this case, as obtaining subsidy relieves the burden of replacing that financing by and through consumer and/or shareholder resources. The Settlement also expands Verizon's original proposed obligation to include reporting on its efforts to secure subsidy and to communicate its commitment to fiber in Frontier's territory. As such, the OCA

submits that as a part of an overall this provision of the Settlement represents a reasonable compromise between the parties and is in the public interest.

5. Rate Cap (¶ F, 37)

Paragraph 37 of the Settlement provides:

37. Except for tax changes and surcharges implemented by government authorities, Verizon will not seek to increase the tariffed rates for residential and small business customers for existing services for Frontier ILEC customers before January 1, 2028. Accordingly, annual Price Stability Index filings made by the Frontier ILECs in calendar years 2026 and 2027 will propose no increases for residential and business service lines. Citizens Telephone of New York will not file proposed increases to tariffed rates in 2026 and 2027.

Settlement ¶ 37.

Verizon's Panel Testimonies did not address rates for Frontier ILEC customers post-transaction. The OCA explained, by and through Mr. Brevitz' Direct testimony, that

[F]ive Frontier companies (Frontier Communications of Breezewood, Canton, Lakewood, Oswayo River, and Pennsylvania) all operate under Chapter 30 Plans that include price cap regulation and Price Stability Plans under which rates for residential and business are protected, and non-competitive telephone services may be adjusted annually. Frontier Commonwealth also operates under its own Chapter 30 Plan and similar price cap regulation. The five Frontier companies recently filed their annual Price Stability Index reports with the Commission. The Commission approved the individual PSI reports and increase to business rates by Order entered February 27, 2025.⁹⁸ In that Order, the Commission approved tariff filings to increase certain business rates for the individual Frontier companies from a low increase of \$10.06 per month (Frontier Breezewood) up to a \$14.00 per month increase (Frontier Oswayo River). Under the individual five Frontier companies' Chapter 30 plans and Frontier Commonwealth's Chapter 30 Plan, the companies are allowed to "bank" unused revenue increases. At present the five Frontier companies have individual banks which collectively total \$265,680.

OCA St. 1, pp. 40-41 (Public Version).

The OCA explained in its litigation position that "Verizon may view the positive PSI banks as an opportunity to increase rates and revenues – a benefit to Verizon but a detriment to the acquired Frontier customers." *Id.* at 42. Mr. Brevitz explained that Verizon has significant motivation to increase rates following the close of the Transaction. *Id.* However, this was

concerning to the OCA, as Verizon’s own SEC documentation provided insight that the Company is aware of the “difficult economic conditions” and that “unfavorable economic conditions, such as a recession or economic slowdown in the U.S. or elsewhere, or inflation in the markets in which we operate, could negatively affect the affordability of and demand for some of our products and services and our cost of doing business.” *Id.* at 22.

Achieving a settlement that commits Verizon to refraining from seeking a rate increase post-Transaction is and was an integral part of achieving an overall resolution of this case, as the Section 3011 applies and includes the preservation of affordable, universally available local telephone service and encouragement of deployment of broadband networks and increased availability of advanced and broadband services, to improve the quality of life for all Commonwealth residents. 66 Pa.C.S. § 3011(1)-(8), (12). As such, the OCA submits that as a part of an overall this provision of the Settlement represents a reasonable compromise between the parties and is in the public interest.

6. Welcome Letter (¶ A, 20) and Public Access (¶ H, 40)

Paragraph 20 of the Settlement provides that:

20. Within forty-five days following closing, Verizon will send a welcome letter or notice to Frontier’s customers that includes information about payment options, Verizon Forward, and any other customer service information. Within thirty days of a final order in this proceeding, Verizon will provide the OCA and OSBA with a copy of the draft correspondence/notice to consumers; OCA and OSBA will provide any suggestions to Verizon within 10 days of receipt; and Verizon, in good faith, will consider incorporation of OCA’s and OSBA’s suggestions. Verizon will provide a copy of the final letter or notice that Verizon sends to customers to the OCA and OSBA.

Settlement ¶ 20.

The OCA submits that this provision is reasonable and will provide timely information that may be helpful to the acquired customers.

Additionally, Paragraph 40 of the Settlement provides:

40. Unless otherwise specified herein, all reports submitted by Verizon will be presumed public. If the Company reports information that it deems confidential and non-public, Verizon will include a public Executive Summary in addition to the confidential reported information.

Settlement ¶ 40. This provision requires that all reports submitted by Verizon pursuant to the Settlement will either be made available for public viewing or, if a report contains confidential information, it will include an Executive Summary for public viewing. The OCA submits that this provision is reasonable and will provide information that may be helpful to the public for determining compliance with the Settlement and overall the resulting public benefits of the Transaction.

IV. CONCLUSION

The OCA submits that the terms and conditions of the proposed Settlement, taken as a whole, represent a fair and reasonable resolution of the issues and claims arising in this proceeding, are in the public interest, and ensure that the Transaction would affirmatively promote the service, accommodation, convenience or safety of the public in some substantial way. Accordingly, the OCA respectfully requests that the ALJs recommend for approval, and that the Commission approve the Settlement without modification.

Respectfully Submitted,

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Dated: June 17, 2025

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Application of Frontier	:	Docket No. A-2024-3051925
Communications Parent, Inc.,	:	A-2024-3051926
Commonwealth Telephone Enterprises	:	A-2024-3051927
LLC, Commonwealth Telephone	:	A-2024-3051929
Company LLC d/b/a Frontier	:	A-2024-3051931
Communications Commonwealth	:	A-2024-3051932
Telephone Company, Frontier	:	A-2024-3051933
Communications of Breezewood, LLC,	:	A-2024-3051934
Frontier Communications of Canton,	:	A-2024-3051935
LLC, Frontier Communications of	:	A-2024-3051936
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, 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.	:	

**STATEMENT IN SUPPORT OF THE
JOINT PETITION FOR APPROVAL OF SETTLEMENT
ON BEHALF OF THE OFFICE OF SMALL BUSINESS ADVOCATE**

I. Procedural Background

The Small Business Advocate is authorized and directed to represent the interests of the small business consumers of utility services in the Commonwealth of Pennsylvania under the

provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50. Pursuant to that statutory authority, the Office of Small Business Advocate (“OSBA”) filed a notice of intervention in response to the 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, 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”) that was filed with the Pennsylvania Public Utility Commission (“Commission”) on October 31, 2024.

The OSBA actively participated in the negotiations that led to the proposed settlement and is a signatory to the Joint Petition for Approval of Settlement (“*Joint Petition*”). The *Joint Petition* addresses the issues raised by this office in this proceeding. Therefore, the OSBA submits this statement in support of the *Joint Petition*.

II. The Transaction

A. Legal Standard for Approval

Section 5.231(a) of the Commission’s regulations, 52 Pa. Code § 5.231(a) (Formal Proceedings; Hearings; Settlement and Stipulations; Offers of Settlement) states, as follows:

It is the policy of the Commission to encourage settlements.

Similarly, Section 69.401 of the Commission’s regulations, 52 Pa. Code § 69.104 (Settlement Guidelines and Procedures for Major Rate Cases – Statement of Policy; General) states, as follows:

In the Commission’s judgment, the results achieved from a negotiated settlement or stipulation, or both, in which the interested parties have had an opportunity to participate are often preferable to those achieved at the conclusion of a fully litigated proceeding.

III. Terms of the Settlement

The following terms were the focus of the OSBA when this Office decided to support the *Joint Petition* and concluded that it was a just and reasonable result of this proceeding.

A welcome letter from Verizon will be provided to Frontier’s current small business customers. *Joint Petition*, Paragraph 20. The welcome letter will provide notice about Verizon’s acquisition and will also provide updated customer information for those small businesses. In addition, the OSBA will be able to review the final draft of the letter and propose edits to it.

Verizon commits to perform a detailed audit of Frontier’s fiber and copper networks so that Verizon can ascertain the need for repair, upgrades, or modernization. *Joint Petition*, Paragraph 24. The Office of Administrative Law Judge (“ALJ”) and the Commission are well-aware of the poor condition of Frontier’s service territory. The OSBA considers this audit a critical component of the proposed settlement contained within the *Joint Petition*.

Verizon will send the OSBA an overview of the audit details and a target date for its completion. *Joint Petition*, Paragraph 25. The OSBA appreciates this reporting requirement, allowing our Office to track the progress in Frontier’s current service territory.

Verizon will send the OSBA the audit results within 3 months of its completion, including proposals to remediate the Frontier service territory and proposed timelines for

completion of the work. Verizon will also provide reports from its personnel, upon request, for a period of three years following closing. *Joint Petition*, Paragraph 26. The OSBA appreciates this reporting requirement, allowing our Office to track the progress in Frontier's current service territory.

Verizon will send the OSBA a copy of its draft audit implementation plan within four months of the completion of the audit. Verizon will also initiate a four-year implementation plan and will share the draft of that plan with the OSBA. *Joint Petition*, Paragraph 27. The OSBA appreciates this reporting requirement and permits our Office to review the details of the plan prior to meeting with Verizon.

Verizon will meet with the OSBA to discuss its proposed audit implementation plan. *Joint Petition*, Paragraph 28. After reviewing Verizon's draft plan, meeting with Verizon is a fair and reasonable settlement term that will allow the OSBA to provide feedback and suggestions.

Verizon will file a final audit implementation plan with the Commission, within 1 year, and copy the OSBA. *Joint Petition*, Paragraph 29. The filing will include any written public comments offered by the OSBA.

Verizon will file annual reports in 2027 and 2028 setting forth the plan's progress and will copy the OSBA. *Joint Petition*, Paragraph 31.a. The OSBA appreciates this reporting requirement, allowing our Office to track the progress in Frontier's current service territory.

Verizon will also file a report on expenditures, for a period of three years after closing, and copy the OSBA. *Joint Petition*, Paragraph 31.b. The OSBA appreciates this reporting requirement, which will allow our expert witnesses to review the fiscal progress of the plan.

Verizon will adopt a plant maintenance program for the Frontier service territories within 9 months of the transaction's closing. *Joint Petition*, Paragraph 32.a. In addition, Verizon will

file reports on that program and copy the OSBA. *Joint Petition*, Paragraph 32.b. The OSBA respectfully submits that a detailed and executed maintenance plan for the Frontier service territory is a major positive result of the *Joint Petition*.

Finally, Verizon will not increase small business rates for current Frontier customers before January 1, 2028. *Joint Petition*, Paragraph 37. The OSBA respectfully submits that with utility rates rising across the Commonwealth, a multi-year rate cap for Frontier's small business customers is a welcome, just, and reasonable result of the proposed settlement.

V. **Conclusion**

Therefore, for the reasons set forth in the *Joint Petition*, as well as the factors that are enumerated in this statement, the OSBA supports the proposed *Joint Petition* and respectfully requests that the ALJs and the Commission approve the *Joint Petition* in its entirety.

Respectfully submitted,

/s/ Steven C. Gray

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Dated: June 17, 2025

**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.	:	
	:	

**Statement of the Broad Horizons Property Owners’ Association
In Support of Joint Petition for Approval of Settlement**

I. Introduction¹

Broad Horizons Property Owners’ Association (“BHLA”) is a party to this proceeding and is a Pennsylvania Non-Profit Corporation located at an address of 33 Pine Drive, Muncy Valley, Pennsylvania 17758 in Shrewsbury Township, Sullivan County, off Edkin Hill Road and across from Keystone Mountain Park. It is between Muncy Valley (much closer to Muncy Valley) and Eagles Mere Borough. BHLA is mainly a development originated in the 1970s or 1980s of 17 residential dwellings in addition to 6 developable lots in this rural community. Electric, telephone and internet service within BHLA are provided by underground facilities. The dwellings are modest, the most common style being log

¹ See BHLA Statement No. 1 (Smith) at pages 1-4. See BHLA Protest. See BHLA Statement No. 2 (Willig).

cabins, and most have about 900 square feet of one-story living space. There are other styles of wooden structures of similar sizes and some that are larger. Numerous cabins are occupied full-time or nearly full-time as opposed to being a vacation type “get away” for owners. BHLA is not a resort.

Telecommunications in BHLA was originally provided by the former Commonwealth Telephone Company (“CTC”) since approximately 1972 and after CTC was sold BHLA presently is served by Frontier Commonwealth Telephone Enterprises LLC, Commonwealth Telephone Company LLC d/b/a Frontier Communications (“Frontier”). Telecommunication and electricity services at BHLA are provided through underground facilities. BHLA owns its roads which are maintained gravel ones and has granted easements for utility services, including the copper lines and facilities that provide telephone and DSL internet service.

BHLA has a mix of elderly, folks on fixed incomes, working folks, and others who have young children and others with children and grandchildren. Many work, or better said, try to work remotely from their dwellings but often are unable due to poor telephone and internet service. Not surprisingly, relatives or guests at the dwellings fare no better seeking to use those services, seemingly decreasing the reliability or quality of service when faced with additional demand during peak periods such as early morning or evenings.

BHLA filed a protest due to are frequent outages of telephone and internet service which have increased over the years since Commonwealth Telephone was acquired by Frontier. Notably, BHLA customers, despite the settlement in the Frontier Complaint case, BHLA customers served by Frontier continue to have issues with telephone or broadband service. In particular, broadband service is marginal and is provided by old Digital Subscriber Line (“DSL”) copper wire service and on a rare, good day, the speed for downloads is approximately 4 or 5Mbps or less, and uploads is a mere .5 Mbps or less. It often is lower or not working particularly when there is rain, wind or snow. When Broad Horizons gets more crowded, such as on holidays, on weekends, early mornings or evenings when residents are home, and use increases, the speeds are lower and stuttering, buffering or drop-offs occur.

On June 7, 2024 Frontier issued to BHLA customers a letter specifying a range of speeds under the customer’s plan. It stated speeds “may be slower” and “most video applications require at least 5Mbps or more of dedicated bandwidth to consistently stream video content.” It next states that “connecting to Wi-Fi”, having “multiple users or devices on the same account,” affect (presumably lower) the “actual internet speed at your service address.”

The letter next pivots to state or justify its marginal service today: “Under Chapter 30 of the Pennsylvania Public Utility Code, Frontier has a continuing obligation to make internet service of 1.544 Mbps download speed and 0.128 Mbps upload speed available to consumers in its service territory.” What the letter does not mention is that Chapter 30 was enacted in 1993, along with its definition of “Broadband,” and that the Legislature intended to stimulate continuing Broadband expansion and technological innovation for the benefit of the public and offered as a *quid pro quo* to free telephone companies from facing traditional cost of service rate or return regulation. It is nonsensical that BHLA customers, some of whom are elderly, some of whom have young children or grandchildren, some of whom are educators, some of whom are a first responder, and some who try to work from home, should be tethered to 1993 technology or conditions. And, while it is odd that the Legislature has not updated its 1993 definition of “Broadband” in Chapter 30, it is notable that the Federal Communications Commission (“FCC”) defines today’s Broadband as download speeds of at least 100 Mbps and upload speeds of at least 200 Mbps.

The Public Utility Code at 66 Pa.C.S §1304 and 66 Pa.C.S. §1502 prohibits, respectively, rate discrimination and service discrimination. The status quo of service at BHLA customers illustrates discrimination toward this rural section of Sullivan County. In short, BHLA has been left behind from having modern broadband service norms for the last 20 or more years.

It should be noted, as in BHLA’s testimony, that Frontier repairpersons were polite, hardworking, wanted to help, but were in BHLA’s opinion frustrated and did what they could when they were available and with the support they were able to get. The change in ownership itself is a substantial affirmative benefit and will no doubt provide better support to these managers and repairpersons to provide even better service response and implement evolving modernized upgrades.

In sum, and as stated in BHLA’s protest, Verizon is a fine communications company and has superior financial and technical fitness. That coupled with Verizon’s willingness to undertake an “in-depth” study/audit/report under a reasonable timeline, and where necessary to rectify service issues with all Frontier customers, and to do so specifically for BHLA’s concerns and such BHLA area “study shall take into consideration any relevant BEAD awards or other paths to the delivery of telephone and more modern and faster broadband internet service to the area at issue”² and to communicate regularly during the study and share the final report with a BHLA designee, is not only commendable, but is a classic example of a substantial affirmative benefits.

² Joint Petition at page 14 Section G, paragraph 38.

II Procedural Background

The procedural background is discussed in Section I (pages 3-5) of the Joint Petition for Approval of Settlement and in OCA's statement of support.

III. The Transaction:

The transaction is described in the Joint Application and filed testimony of the Joint Applicants.

A. Legal Standard for Approval

Under 66 Pa.C.S. Section 1103(a) in pertinent part, "A certificate of public convenience shall be granted by order of the commission, only if the commission shall find or determine that the grant of such certificate is necessary or proper for the service, accommodation, convenience, or safety of the public. The commission, in granting such certificate, may impose such conditions as it may deem to be just and reasonable."

Our Supreme Court, in addressing this language, in *City of York v. Pa. P.U.C.*, 295 A.2d 825, 828 (Pa. 1973) (*City of York*), found that Applicants must prove that there are substantial affirmative benefits adequately explained and defined due to the transaction. Also, 66 Pa.C.S. § 3019(b)(4) reserves the Commission's power "[t]o condition the sale, merger, acquisition or other transaction required to be approved under section 1102(a)(3) ... of a local exchange telecommunications company or any facilities used to provide telecommunications services to ensure there is no reduction in the advanced service or broadband deployment obligations for the affected property or facilities."

B. Record Evidence of Public Benefits

The record coupled with the terms and conditions of the settlement shows a myriad of public benefits. Verizon's testimony shows it has greater financial fitness than Frontier. It also shows that Verizon is exceptionally technically fit. BHLA is unaware of any party taking issue with Verizon's fitness. BHLA concurs with Verizon's and OCA's and OSBA's Statements in Support as to record evidence of public benefit.

IV. Terms of the Settlement are in the Public Interest and Should Be Approved

The terms of Settlement represent give and take by all parties, are the result of extensive rounds of negotiation, and were done in good faith to resolve differences to achieve substantial affirmative benefits and to promote the public interest. If one compared Verizon's litigation position to the Settlement terms, it has made substantial additional beneficial commitments under reasonable timelines to address positions or concerns of the protestants in their testimony and associated exhibits. For example:

A. The Welcome Letter

B. Verizon Forward terms

These terms are of benefit and in the public interest and should be approved as the letter information helps the transition to Verizon's payment options and other customer service information and the Verizon Forward program to eligible customers in Frontier's territory.

C. Audit of Frontier's Fiber and Copper Networks

The details, inspections, identification of causes of troubles in this settlement term are substantial affirmative benefits and clearly in the public interest, are to be completed in a reasonable timeframe, entail communications with OCA, OSBA and BHLA (relative to the BHLA area and subject to appropriate confidentiality protections) and an Audit report and then development of a remedial draft Audit Implementation plan all calculate to remediate via "repairs or replacements" problems and improve service to Frontier's network to Verizon standards. It includes additional annual reporting to OCA and OSBA, and a Plant Maintenance Program.

D. Frontier Commonwealth Settlement

Verizon will assume the responsibilities and obligations of Frontier Commonwealth in the Frontier Commonwealth Settlement at Docket No. C-2023-3037574 immediately upon closing, with the understanding that

the Settlement only applies to the entity Commonwealth Telephone Company LLC. This term is clearly in the public interest.

E. BEAD and other government subsidized broadband deployment programs

Verizon will honor Frontier’s obligations to deploy upgraded fiber connections for funding for such programs. That is a significant benefit in the public interest.

F. Rate Cap

Except for tax changes and surcharges implemented by government authorities, Verizon will not seek to increase the tariffed rates for residential and small business customers for existing services for Frontier ILEC customers before January 1, 2028. Accordingly, annual Price Stability Index filings made by the Frontier ILECs in calendar years 2026 and 2027 will propose no increases for residential and business service lines. This is a substantial affirmative benefit and in the public interest.

G. BHLA System and Customers

“Service Remediation and Potential Upgrades: Verizon shall commence an in-depth study and review of its network, wire center and other facilities providing telephone and copper DSL internet service to customers at Broad Horizons, Shrewsbury Township, Sullivan County. The study shall be a fresh look conducted by Verizon personnel who were not employed by Frontier prior to the close of the Transaction and shall examine service affecting factors or conditions including those listed in Section C, Paragraph 24(a)-(i) above, and address and identify any improvements that cure or remediate the conditions identified in BHLA’s Testimony and Exhibits in this proceeding. The study shall take into consideration any relevant BEAD awards or other paths to the delivery of telephone and more modern and faster broadband internet service to the area at issue. The study shall be completed within six months of Closing and the results shall

be shared with a designated representative of BHLA, the OCA, and to any other statutory public advocate requesting a copy of said study. Remediations or improvements to service identified in the study shall be implemented within six months of the completion of the study. During the study and remediation period, Verizon shall communicate periodically (at least once a month) with BHLA's designated contact as to its progress and findings." Fn.3

Verizon is a fine communications company and has superior financial and technical fitness. That coupled with Verizon's willingness to undertake an "in-depth" study/audit/report under a reasonable timeline, and where necessary to rectify service issues with all fiber and copper served Frontier customers, and to do so specifically for BHLA's concerns and such BHLA area "study shall take into consideration any relevant BEAD awards or other paths to the delivery of telephone and more modern and faster broadband internet service to the area at issue"³ and to communicate regularly during the study and share the final report with a BHLA designee, is not only commendable, but is a classic example of a substantial affirmative benefit and certainly is in the public interest.

H. Public

The presumption that unless otherwise specified all reports by Verizon will be presumed public. This term is in the public interest and promotes transparency. Under this section reports deemed confidential and non-public for cause can be kept confidential.

I. General Provisions

These provisions are standard in settlements before the Commission and have been approved by the Commission and should be here.

³ Joint Petition at page 14 Section G, paragraph 38.

V. Conclusion

It has been the longstanding policy of the Commission to encourage settlements and to approve where, as here, a proposed transaction taken together with the settlement terms, provides substantial affirmative benefits and is in the public interest. This Settlement conserves the resources of the Commission, the parties and ultimately the public. The Settlement also expedites its many benefits occurring sooner rather than later which would happen in the case of full litigation.

Accordingly, BHLA respectfully requests that Administrative Law Judges and the Commission approve the Joint Petition for Approval of Settlement without modification.

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The Broad Horizons Lot Owners' Association