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Via Electronic Filing

Karen Buckley
Executive Secretary
Public Service Commission
201 Brooks Street
Charleston, WV 25301

OCT 31 2024 02:43 PM EXEC SEC DIV

Re: Case No. 24-0853-T-PC

Dear Ms. Buckley:

I hereby submit for filing the attached **Joint Application of Verizon Communications Inc. and Frontier Communications Parent, Inc. Concerning a Transfer of Control.**

Should you have any questions or require any additional information, please do not hesitate to contact me. Thank you for your attention to this matter.

Sincerely,

Joseph M. Ward

(WVSB #9733)

Enclosure

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**JOINT APPLICATION OF VERIZON COMMUNICATIONS INC. AND
FRONTIER COMMUNICATIONS PARENT, INC. CONCERNING
A TRANSFER OF CONTROL**

**BEFORE THE
PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA**

Joint Application of

Verizon Communications Inc. and
Frontier Communications Parent, Inc.

Concerning a Transfer of Control

OCT 31 2024 02:43 PM EXEC SEC DIV

Case No. 24-0853-T-PC

**JOINT APPLICATION OF VERIZON COMMUNICATIONS INC.
AND FRONTIER COMMUNICATIONS PARENT, INC.
CONCERNING A TRANSFER OF CONTROL**

Pursuant to West Virginia Code § 24-2-12, Verizon Communications Inc. ("Verizon") and Frontier Communications Parent, Inc. ("Frontier" and together with Verizon, "Applicants") respectfully submit this application ("Joint Application") to request that the West Virginia Public Service Commission (the "Commission") grant authority to permit Applicants to consummate a transaction (the "Transaction") whereby Verizon will acquire Frontier and its subsidiaries, with the result that Verizon will hold a 100 percent indirect interest in Frontier West Virginia Inc., Citizens Telecommunications Company of West Virginia, Frontier Communications Online and Long Distance Inc., and Frontier Communications of America, Inc. (collectively, "Frontier WV Operating Companies").

West Virginia will greatly benefit from the Transaction. Verizon's recognized leadership in building and deploying cutting-edge networks and its commitment to

prioritizing consumer choice while serving local communities will benefit West Virginia consumers. Verizon possesses the financial standing and expertise necessary to optimize the Frontier fiber and copper network. Enhancing consumer choice is a hallmark of Verizon's reputation, as evidenced by the company's demonstrated history of aggressively deploying next-generation networks and services and offering differentiated pricing and service options, including low-income plans. With the closing of the Transaction, current Frontier customers and West Virginia consumers will have the opportunity to access the various offerings and substantial benefits that Verizon customers receive today. By leveraging its significant financial strength, capital resources, and unparalleled technology, tools, and training, Verizon will also build on Frontier's efforts to deliver better service, increase value, and offer more choice to West Virginians.

In support of this Joint Application, the Applicants respectfully show as follows:

I. DESCRIPTION OF THE APPLICANTS

A. Verizon

Verizon Communications Inc. is a Delaware corporation with its principal place of business at 1095 Avenue of the Americas, New York, New York 10036. It is a holding company whose operating subsidiaries collectively comprise one of the world's leading providers of communications, technology, information, and entertainment products and services to consumers, businesses, and government entities. With a presence around the world, Verizon offers data, video, and voice

services and solutions on its networks and platforms that are designed to meet its customers' demand for mobility, reliable network connectivity, and security. In 2023, Verizon generated revenues of \$134 billion.

In West Virginia, Verizon's solutions currently are offered through the following entities:

- Cellco Partnership d/b/a Verizon Wireless ("Cellco") provides nationwide wireless voice and data services. Cellco is registered with the Commission and provides wireless services in West Virginia.
- Visible Services, LLC is registered with the Commission and provides wireless services in West Virginia.
- TracFone Wireless, Inc. provides prepaid wireless services in West Virginia and is registered with the Commission as a wireless carrier.
- MCI metro Access Transmission Services LLC d/b/a Verizon Access Transmission Services and XO Communications Services, LLC are certificated as competitive local exchange and interexchange carriers.
- MCI Communications Services, LLC d/b/a Verizon Business Services, Verizon Long Distance LLC, and Verizon Select Services, Inc. are certificated as interexchange carriers.

Through these entities, Verizon offers substantial services to consumers in West Virginia, which will be enhanced through Verizon's acquisition of Frontier.

B. Frontier

Frontier Communications Parent, Inc., a Delaware corporation, is a leading communications and technology provider and the largest pure-play fiber provider in the United States. With approximately 13,300 employees serving more than 3.1 million customers in 25 states as of December 31, 2023, Frontier currently owns and operates more than 50 incumbent local exchange carriers ("ILECs") and a small number of competitive local exchange carriers.¹ Through its interexchange carrier subsidiaries, it also provides intrastate, interstate, and international long-distance service on a resale basis in each of the states where Frontier operates as an ILEC, including West Virginia. Frontier generated revenues of approximately \$5.8 billion in 2023.

Frontier, through its subsidiaries, provides communications services to urban, suburban, and rural communities in its service areas. It offers residential consumers, businesses, and wholesale customers a broad range of communications services – available as distinct products or in bundles – including data and Internet services, voice services, video services, access products, advanced hardware/network solutions, and other services through the following entities in West Virginia:

¹ Frontier's current service territories are located in Alabama, Arizona, California, Connecticut, Florida, Georgia, Illinois, Indiana, Iowa, Michigan, Minnesota, Mississippi, Nebraska, Nevada, New Mexico, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, Utah, West Virginia, and Wisconsin. Frontier also serves a *de minimis* number of customers in Virginia, which are served by its cross-state border facilities in West Virginia.

- Frontier West Virginia Inc. is a West Virginia corporation and an indirect wholly-owned subsidiary of Frontier, with its principal offices located at 1500 MacCorkle Avenue, S.E., Charleston, West Virginia 25396. Citizens Telecommunications Company of West Virginia (together with Frontier West Virginia Inc.) is a West Virginia corporation and a direct wholly-owned subsidiary of Frontier, with its principal offices located at 1500 MacCorkle Avenue, S.E., Charleston, West Virginia 25396. These two companies are ILECs that serve approximately 225,000 access lines.
- Frontier Communications of America, Inc. and Frontier Communications Online and Long Distance, Inc. are certificated as interexchange carriers providing interstate and intrastate long-distance service on a resale basis. They are Delaware corporations with principal offices located at 1919 McKinney Avenue, Dallas, Texas 75201.

II. DESIGNATED CONTACTS

All communications with respect to this Joint Application should be addressed or directed as set forth below:

Verizon Contact Information:

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III. TRANSACTION OVERVIEW

On September 4, 2024, Verizon and Frontier entered into an Agreement and Plan of Merger pursuant to which Verizon, upon receiving all necessary approvals, will acquire 100 percent of Frontier and its subsidiaries, including the Frontier WV Operating Companies.² The Transaction will occur through the merger of Frontier with a wholly-owned subsidiary of Verizon created for purposes of the Transaction. Following this merger, Frontier will be the surviving entity and will become a wholly-owned, direct subsidiary of Verizon, and the Frontier WV Operating Companies will become indirect, wholly-owned subsidiaries of Verizon. As the Transaction is occurring at the holding company level, there is no “merger” or “transfer” of the

² A copy of the Agreement and Plan of Merger can be found at: <https://www.sec.gov/Archives/edgar/data/732712/000119312524213664/d828371dex21.htm>.

Frontier WV Operating Companies assets, customers, contracts with other providers, and day-to-day operations. Charts illustrating the ownership of Frontier WV Operating Companies both pre- and post-closing are attached as **Exhibit A**.

IV. THE TRANSACTION MEETS THE CRITERIA FOR APPROVAL BY THE COMMISSION

Public utilities are required to receive permission from the Commission before entering into certain transactions.³ Under the applicable statute, the Commission may grant its consent to a public utility to consummate a proposed transaction “upon proper showing that the terms and conditions thereof are reasonable and that neither party thereto is given an undue advantage over the other, and do not adversely affect the public in this State.”⁴ As explained in detail below, the Transaction meets these criteria.

A. Frontier Faces Certain Financial and Other Challenges that Risk Its Continued Success, and the Transaction Will Allow Frontier’s Fiber Deployment Strategy to Continue

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

³ W. Va. Code § 24-2-12.

⁴ *Id.*

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

These debt obligations may place a significant strain on Frontier's ability to make additional investments in its network going forward. Specifically, its current debt level will impact Frontier's ability to obtain additional debt or equity financing on favorable terms. This will make it harder for Frontier to keep investing in fiber at the level necessary to compete and meet the needs of its customers; particularly, it places Frontier at a competitive disadvantage with respect to competitors with less debt or competitors that are able to obtain financing on more favorable terms.

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

to offer lower prices than Frontier for extended periods of time. For example, cable companies are able to bundle their service offerings in easy packages at competitive price points and provide customers with home broadband and mobile wireless service, which Frontier does not offer. Frontier's lack of bundled mobile wireless service places it at a competitive disadvantage. The ability to offer Frontier service in combination with Verizon mobile wireless post-transaction will benefit Frontier's existing customers and enhance the competitiveness of the Frontier assets.

Navigating these myriad challenges to its future competitiveness, in early 2024 Frontier undertook a formal and comprehensive review of all opportunities, including mergers and business opportunities. After consultation with its financial advisors — and after an extensive due diligence process regarding a number of issues germane to Frontier's business operations, financial condition, and future competitiveness — Frontier determined that the Transaction presented it with the best opportunity for its customers and other stakeholders. Specifically, Frontier determined the Transaction will allow the continuation of Frontier's fiber deployment strategy, while also enhancing service options for Frontier customers. The Parties negotiated the Transaction at arm's length, and neither party is being given an undue advantage over the other.

B. Verizon Is Well-Positioned to Continue the Commitment Frontier Has Made to West Virginia

Verizon is managerially, technically, and financially well-qualified to complete the acquisition, assume ownership and control of the Frontier WV Operating Companies, and operate Frontier's network. Verizon has an established track record of delivering best-in-class in-home broadband service, including Fios and 5G Home broadband. Moreover, with a market capitalization of approximately \$185 billion,⁵ and revenues of approximately \$134 billion and free cash flow of \$18.7 billion in 2023,⁶ Verizon has the financial qualifications to undertake the Transaction and operate the Frontier WV Operating Companies.

1. The Transaction Will Support Frontier's Investment in Broadband

Verizon is committed to honoring Frontier's important work in expanding broadband. The Transaction will ensure that Frontier's current planned buildout is completed (if not completed by closing) and provide financial resources to consider future fiber deployment.

Over approximately the last four years, Frontier has invested billions in upgrading and expanding its fiber network. In West Virginia, Frontier has satisfied its obligation to deploy fiber to the premises ("FTTP") to 150,000 locations by

⁵ See Verizon Communications Inc., STOCK ANALYSIS, <https://stockanalysis.com/stocks/vz/market-cap/> (last visited Oct. 28, 2024).

⁶ Verizon finishes 2023 with strong cash flow and wireless customer growth, VERIZON (Jan. 23, 2024), <https://www.verizon.com/about/news/verizon-finishes-2023-strong-cash-flow-and-wireless-customer-growth?msocid=250672210de161c32c8266f40c71601b>.

December 31, 2027 and make a minimum of \$200 million in capital expenditures over the three-year period ending December 31, 2023.⁷ Frontier is well on its way to completing its plan to build out its fiber network to 10 million homes nationally by 2026. But Frontier does not have funding in place for further investment or additional fiber build outs beyond that point. The Transaction will allow Verizon to build on Frontier's Building Gigabit America™ efforts and will result in substantial benefits for consumers beyond what Frontier would be able to provide by continuing as a standalone company.

The federal government and the State of West Virginia have recognized that it is not financially viable for providers alone to deploy fiber and other advanced broadband services to every household, especially in high cost unserved and underserved locations. As a result, both federal and state programs provide certain sources of funding to provide for the deployment of broadband to areas that would not otherwise be economically viable to serve. The Transaction will not impact Frontier's plans or commitments under NTIA's and the West Virginia Department of Economic Development Office of Broadband's Broadband Equity, Access, and Deployment ("BEAD") program. Following closing, Verizon will honor all commitments Frontier has made related to broadband grants or deployment programs in West Virginia,⁸ including under the Federal Communications

⁷ Case No. 20-0400-T-PC, Commission Order dated January 15, 2021 at 17-18.

⁸ Frontier has received five MBPS (Major Broadband Project Strategies, Rounds 1 and 2) grants from the West Virginia Department of Economic Development,

Commission's Rural Digital Opportunity Fund, programs under the American Rescue Plan Act, and BEAD.

2. The Transaction Will Strengthen and Improve Frontier's Network

Verizon will ensure that Frontier's network is healthy and will deploy the resources necessary to ensure that Frontier customers who are served by that network receive quality service. To that end, Verizon recognizes Frontier's obligations arising from Case No. 18-0291-T-P regarding service quality⁹ and Case No. 20-0400-T-PC relating to Frontier's Chapter 11 bankruptcy approval.¹⁰ Verizon will honor any remaining compliance obligations arising from these proceedings.

Verizon has the right technology, tools, and training to offer safe, adequate, and reliable service in West Virginia. Verizon will utilize these innovative tools and technology to further improve Frontier's network reliability by deploying systems that aim to identify network problems on a prospective basis and resolve them rapidly if they do occur. From detection to diagnosis, Verizon uses performance-based alerting in its core network to trigger proactive action and to avoid or minimize customer impact. These tools also assess changes in the network with a

in coordination with the West Virginia Broadband Enhancement Council and the State Broadband Office, to expand fiber to 7,723 grant eligible locations.

⁹ Case No. 18-0291-T-P, Commission Orders dated January 15, 2021 and October 27, 2022. By way of its January 15, 2021 order, the Commission also integrated certain reporting obligations established in Case No. 08-0761-T-GI into Case No. 18-0291-T-P.

¹⁰ Case No. 20-0400-T-PC, Commission Order dated January 15, 2021.

common system that identifies whether the second path on a diverse network is available before performing maintenance on the first and warns of potential service impact, thereby providing further protection for consumers. When problems are detected, Verizon employs advanced capabilities to enable remote fixes in its network. These strategies allow for increased agility and flexibility, improved scalability of equipment, enhanced performance through optimized network bandwidth, and the retirement of legacy resources resulting in reduced energy demand, reduced network downtime, and higher network reliability.

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

Importantly, Verizon utilizes multiple centralized network operations centers (also referred to as network management centers) for remote administration, surveillance, and maintenance of Verizon's central offices, technical facilities, and field locations, to ensure consistent quality of service for its customers.

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

of core values relevant to disasters, Verizon maintains a plan for its copper and fiber facilities regarding continuity of operations and continuity of management, including alerting lists and alternate temporary locations deemed necessary to facilitate the installation, maintenance, and restoration of critical telecommunications and information services under conditions ranging from local emergencies to more widespread disasters. Importantly, this Framework is benchmarked against Federal Emergency Management Agency and Occupational Safety and Health Administration standards to ensure that it remains current and incorporates the latest updates.

Verizon also maintains a comprehensive and robust safety program applied to both copper and fiber facilities that proactively addresses work environments and their potential hazards. Verizon's Environment, Health, and Safety department has earned ISO 14001 (environmental) and 45001 (health and safety) certifications for its environment, health, and safety management system. Verizon's commitment to safe and environmentally responsible work practices extends to the suppliers who provide services and products to Verizon, who must go through a robust assessment and screening process.

Verizon uses technology and tools that allow for end-to-end viewing of the network, which enables real-time network and equipment troubleshooting. The tools also enable Verizon's technicians to have accurate information about the history of problems that exist and how to address them. Verizon has tools that allow a Fios specialist to run diagnostic tests from centralized network locations all

the way to the customer's premises to identify and address the most common causes of troubles. One innovative tool supports Verizon customer service agents while the agent is talking to a customer. The tool reviews the customer's description of the issue to assist the agent in determining the best course of action to resolve the customer's issue. Another tool allows Fios field technicians to measure the Wi-Fi signal within a customer's premises for proper placement of the router within the customer's home, as well as to identify areas that may need extenders to boost strength and coverage. Verizon also deploys technology that enables it to collaborate with the Fios customer to diagnose and fix troubles at the customer's premises using the customer's smartphone camera. The camera allows Verizon's specialists to look at the customer's network and equipment connections from a remote location and guide the customer to fix the problem, if possible. Customers appreciate the ability to work with an agent to resolve service matters immediately, rather than having to schedule an appointment for a technician to come to their premises at a later time.

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

they have all the resources they need before interacting with the network, to pause during network activity to ensure actions are going according to plan, and to confirm once complete that the intended result was achieved. Finally, network installation standards and requirements involve an annual review of Verizon Installation Procedure requirements, training on the Installation Procedure, and quality audits of installation and engineering jobs.

The fiber services of both Verizon and Frontier are known for their 99.9% reliability and high speeds. The technology that Verizon brings to its network results in fewer customer calls regarding service issues, and Verizon's tools ensure that more problems get resolved without dispatches. Following the close of the Transaction, Verizon will conduct an in-depth audit of Frontier's fiber and copper networks and will implement some or all the measures described above, as needed, to align the networks with Verizon's standards, to the benefit of customers in the Frontier West Virginia footprint.

Verizon further understands the critical importance of pole ownership and administration. For decades, Verizon has managed a vast network of poles across the United States, and has significant experience ensuring that the poles under its watch meet relevant safety and operational standards. Verizon recognizes that the Commission has focused significantly on pole-related issues in connection with Case No. 18-0291-T-P, and Verizon is committed to complying with the

requirements undertaken by Frontier as part of that proceeding. Verizon will also keep the Commission fully informed regarding the status of its efforts.

Finally, as the incumbent wireline 911 provider in some of its in-region states, Verizon meets the FCC's 911 reliability requirements for backup power, redundant 911 call paths, and redundant network monitoring links. Verizon maintains robust resiliency, monitoring and service restoration practices that limit the frequency and duration of outages affecting 911 calling, and expedite service restoration. If the transaction is approved and consummated, Verizon would assume these responsibilities in the areas where Frontier remains the incumbent wireline ILEC and 911 provider and apply that same commitment and diligence to Frontier's West Virginia operations.

3. The Transaction Will Produce Substantial Benefits for Consumers

In addition to service reliability, following the Transaction, consumers in Frontier's territory in West Virginia will benefit from an opportunity to select the optimum combination of services for their individualized needs from an expanded menu of services. As a result, West Virginia consumers will be able to enjoy the enhanced consumer choice and convenience that Verizon customers enjoy today.

The Transaction will extend Verizon's award-winning customer service and premium offerings to Frontier's customers. Indeed, Verizon's broadband services receive top ratings across multiple customer surveys.¹¹ For example:

- Verizon won JD Power awards for residential Internet service provider customer satisfaction.¹²
- For the period through September 2024 for the East region, Verizon ranked first in customer satisfaction for residential Internet service and cable TV service.¹³
- Verizon was named the best gaming ISP for 2024 and is a ten-time winner of the fastest internet service provider award by PC Magazine.¹⁴
- Open Signal ranked Verizon Fios first for upload speed, download speed, service quality, and video quality.¹⁵
- Verizon Fios specifically was named to the 2025 Forbes Best Customer Service list, which honors the top 300 companies and

¹¹ See, e.g., Kelly Huh, Verizon Fios Internet Review: Customers Call It "Reliable" and "Smooth", REVIEWS.ORG (Oct. 17, 2024) <https://www.reviews.org/internet-service/verizon-fios-internet-review/>.

¹² Can You Reach Me Now? Wireless Internet Providers Certainly Can and with High Levels of Satisfaction, J.D. Power Finds, J.D. POWER (Oct. 10, 2024), <https://www.jdpower.com/business/press-releases/2024-us-residential-internet-service-provider-satisfaction-study>.

¹³ Satisfaction Higher among Live TV Streaming Customers, J.D. Power Finds, J.D. POWER (Sept. 26, 2024), <https://www.jdpower.com/business/press-releases/2024-us-television-service-provider-satisfaction-study>.

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

¹⁵ Francesco Rizzato & Robert Wyrzykowski, USA Fixed Broadband Experience Report May 2023, OPENSIGNAL (May 23, 2023), <https://www.opensignal.com/2023/05/23/usa-fixed-broadband-experience-report-may-2023>.

brands that customers say best serve their needs across a variety of customer service categories.¹⁶

- Verizon is a finalist for the 2024 Reuters Events Customer Service Organization of the Year award, which honors an organization that has set new standards in customer service by implementing groundbreaking initiatives aimed at improving customer satisfaction and loyalty.¹⁷

Verizon understands the concerns that the Commission has raised about telephone service quality. Following closing of the Transaction, Verizon's intent is to listen to these concerns and be responsive to these problems. In the nearly 15 years since Verizon left the state as an incumbent wireline provider, it has made major changes to its approach to customer service.

Verizon overall receives millions of calls every year, demonstrating its capacity to meet high customer demand, and the honors described above reflect how the company has transformed its approach to customer service to improve satisfaction and loyalty. Verizon's progress in customer service has been driven both by its skilled representatives and by its constant development of technological tools to support those representatives. In addition to serving customers efficiently, Verizon's customer service groups are committed to serving with integrity. Verizon has invested heavily in a tool called View Together. At the close of a transaction, representatives send their customers a View Together link, which the customers

¹⁶ Alan Schwarz, Best Customer Service, FORBES (Oct. 22, 2024), <https://www.forbes.com/lists/best-customer-service/>.

¹⁷ Recognizing Excellence Across the Customer Journey, REUTERS EVENTS, <https://events.reutersevents.com/customer/awards> (last visited Oct. 30, 2024).

click to open a series of screens showing the details of their transaction, key disclosures, and relevant terms and conditions. The representative can see exactly what the customer is seeing and answer any questions, ensuring the customer knows exactly what he or she is buying.

Beyond these improvements and innovations in customer service, Verizon further understands that, when problems arise, those who are responsible for advocating on behalf of consumers must know that they can reach a responsible and informed representative from the company to address those concerns. Verizon commits that it will have a dedicated point of contact to resolve regulatory issues and significant customer complaints that have been escalated.

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

Consumers in the Frontier footprint will also enjoy low-cost options, bundled discounts, personalized choice, and added features. Following the close of the Transaction, Verizon will offer its service plans to current Frontier customers, and West Virginia consumers. Critically, this includes a national low-income broadband plan and bundled service options not offered by Frontier today. Additional service plan options that will be available to consumers in the Frontier footprint following the Transaction are detailed below.

Verizon offers a voluntary, nationwide low-income pricing option, which greatly enhances the affordability of home internet service for eligible customers.¹⁸ This option — known as Verizon Forward¹⁹ — was launched in 2020 to help increase access to affordable and reliable broadband for economically disadvantaged consumers, and Verizon continues to offer the program to those who qualify. Post-Transaction, Verizon will offer Verizon Forward to customers across West Virginia. In light of the sunset of federal funding for the Affordable Connectivity Program, which helped connect nearly twenty-three million households across the country, Verizon announced updates to Verizon Forward under which select plans are currently available for as low as \$20 a month. For example, Fios Plans include 300 Mbps at \$20 per month for eligible residential customers who qualify for Verizon Forward and Lifeline. Unlike other providers' home internet assistance programs, which limit subscribers to slower speeds and fewer features than those offered to the general public, Verizon Forward offers subscribers the same service available to all customers. Eligible subscribers can choose the plan that works best for them and apply Verizon Forward's discounts and savings — all with no equipment charges or annual contracts. These offerings stand to materially benefit consumers in the Frontier operating territories in West Virginia by providing high quality broadband service at a lower cost.

¹⁸ Frontier does offer federal and state Lifeline broadband service discounts.

¹⁹ How Verizon Forward Works, Verizon, <https://www.verizon.com/discounts/verizon-forward/> (last visited Oct. 10, 2024).

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

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

Additionally, Frontier does not have a mobile wireless offering and is thus at a competitive disadvantage to companies with more robust bundling options, including cable companies that offer mobile services through mobile virtual network operator agreements. Where available, Verizon's discounted bundles of home broadband, mobility, and other services will be extended to Frontier customers and any new customers in West Virginia, resulting in significant savings.

For example, Verizon customers can save up to \$300 a year by bundling their in-home broadband and mobile wireless service plans.²⁰ Indeed, Verizon offers one of the highest-rated Internet and mobile bundles, according to industry experts.²¹

Frontier customers and any new customers in West Virginia will benefit from added amenities and expanded choices. For example, several of Verizon's Fios fiber plans offer certain forms of Wi-Fi for free and exclusive third-party protection services, such as Cloud and Verizon Home Device Protect. In addition, depending on their plan, Frontier customers will receive better content choices, including Apple One; a Disney bundle including Disney +, Hulu, and ESPN +; Netflix; Max; YouTube premium; and Walmart + membership.²²

Finally, because the proposed change in ownership will occur at the holding company level and does not require any customer migration, the Transaction will be seamless to Frontier's customers.²³ Customers will continue to receive high-quality communications services without interruption, and by the nature of the

²⁰ *Id.*

²¹ Best Internet and Mobile Bundles for October 2024, CNET, <https://www.cnet.com/home/internet/best-internet-and-mobile-bundles/> (last visited Oct. 10, 2024).

²² See Stevie Rosignol-Cortez, How Verizon is Bundling Streaming Services to Win Customers, BARRON'S (Oct. 11, 2024), <https://www.barrons.com/articles/verizon-stock-ceo-netflix-max-disney-bundle-2900fb51>.

²³ Verizon is acquiring all of Frontier and thus all of Frontier's back-office systems. Not having to transition customers to new systems at closing will facilitate a seamless experience for Frontier customers.

Transaction, Frontier will continue to be bound by all of its contracts, including wholesale contracts with other providers and retail contracts with business customers.

4. Verizon Supports Local Communities

While Verizon is a national brand, the company knows that understanding and engaging in the local communities it serves is a key to being a top service provider. Customers in Frontier territories will see that commitment through Verizon's dedication to promoting education, small businesses, public safety, and cutting-edge new technologies in their communities.

Specifically, Verizon regularly invests in education and small business in the communities in which it operates, with a focus on bridging the digital divide and supporting the public safety community. The company has also developed numerous innovative public safety tools to benefit these communities not only in times of crisis, but also to address day-to-day public safety challenges. Verizon has invested millions in these areas in a variety of programs to create a better environment for its customers and employees. It plans to follow this practice in the communities within the Frontier footprint post-Transaction.

For instance, to help bridge the digital divide in education, Verizon works with nonprofit partners and edtech leaders on the Verizon Innovative Learning initiative with a goal of reaching 10 million youth with digital skills training by 2030. To date, Verizon has enabled more than 600 Title I schools and over 40 colleges and universities to offer new and engaging learning experiences by providing

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

Verizon also offers Small Business Digital Ready, a free online curriculum for small business owners with courses, expert coaching, peer networking and exclusive incentives and grant opportunities. Verizon understands that small businesses are truly the lifeblood of our communities, and Verizon also knows that technology plays an increasingly critical role in small business success. As a result, in 2020 Verizon announced a 10-year commitment to support one million small businesses by 2030 with resources to help them thrive in the digital economy — with a specific focus on supporting diverse businesses. In West Virginia, as of October 2024, Verizon has awarded \$10,000 grants to four small businesses.

West Virginia is not immune to natural disasters, and Verizon has developed numerous tools to partner with cities and personnel in emergency situations. THOR is Verizon Frontline's Tactical Humanitarian Operations Response, a mobile, private Verizon 5G Ultra Wideband and mobile edge compute rapid-response command center vehicle designed to provide public safety agencies with high-quality communications and applications under nearly any conditions. The

Verizon Rapid Response Connectivity Unit is a six-foot long, two-and-a-half-foot wide asset designed to be deployed by one person in fewer than 15 minutes. It is capable of delivering secure and reliable voice and internet service for first responders under austere conditions.

In addition, Verizon Frontline's Mobile Connectivity Agile Vehicle is a modified electric motorcycle capable of providing first responders with mission-critical communications capabilities when operating in areas that traditional vehicles and larger deployable assets can't reach. These efforts resulted in Verizon being named to Fast Company's prestigious list of the World's Most Innovative Companies of 2024. Verizon's award was in the Corporate Social Responsibility category for its commitment to the development and use of innovative new technology like drones, robotics and more to help maintain mission-critical communications during disaster response operations.

5. The Transaction Will Provide Continuity for Frontier's Employees

The Transaction will provide continuity for Frontier's employees, including the technicians that work on Frontier's network. Verizon has longstanding relationships with the Communications Workers of America and the International Brotherhood of Electrical Workers, which represent employees at Verizon and Frontier. Verizon will honor Frontier's collective bargaining agreements covering Frontier's unionized workforce. Verizon has demonstrated experience working with these unions. The Transaction will positively impact the location and accessibility

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

C. The Transaction Will Not Result in Competitive Harm

Verizon's acquisition of Frontier will not adversely affect competition. The Transaction will not result in a reduction in the number of competitors or eliminate the possibility of a future new competitor in any Frontier service area. Verizon is not an ILEC provider in West Virginia, does not compete with Frontier for customers in the provision of wired mass-market services in that region, and has no plans to provide such services in the future absent the Transaction.

In addition, Frontier does not offer mobile wireless services in West Virginia. The combined company, however, will be able in many locations to offer a bundle of home broadband and mobile wireless services — an offering Frontier is unable to make today. Other wireless providers are also aggressively competing with their own fixed wireless options. Thus, Verizon's acquisition of Frontier will not adversely affect the public by posing a threat of competitive harm.

V. CONCLUSION

In conclusion, the Transaction will provide great benefits for Frontier's customers and competition, will not harm West Virginia consumers, and is in the public interest.

WHEREFORE, Applicants respectfully pray that:

- (a) to the extent required by law, the Commission approve this Application;
- (b) to the extent required by law, the Commission enter an Order granting its consent to the Transaction pursuant to West Virginia Code § 24-2-12;
- (c) given the well-known size and footprint of the applicants and the financial considerations and qualifications described in this Application, the Commission waive Procedural Rule 21 requiring the parties to state their financial condition; and
- (d) the Commission grant such other and further relief as the Commission deems just and appropriate.

Respectfully submitted this 31st day of October 2024.

/s/ Joseph M. Ward

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EXHIBIT A

000036

EXHIBIT A
Pre-Transaction Ownership

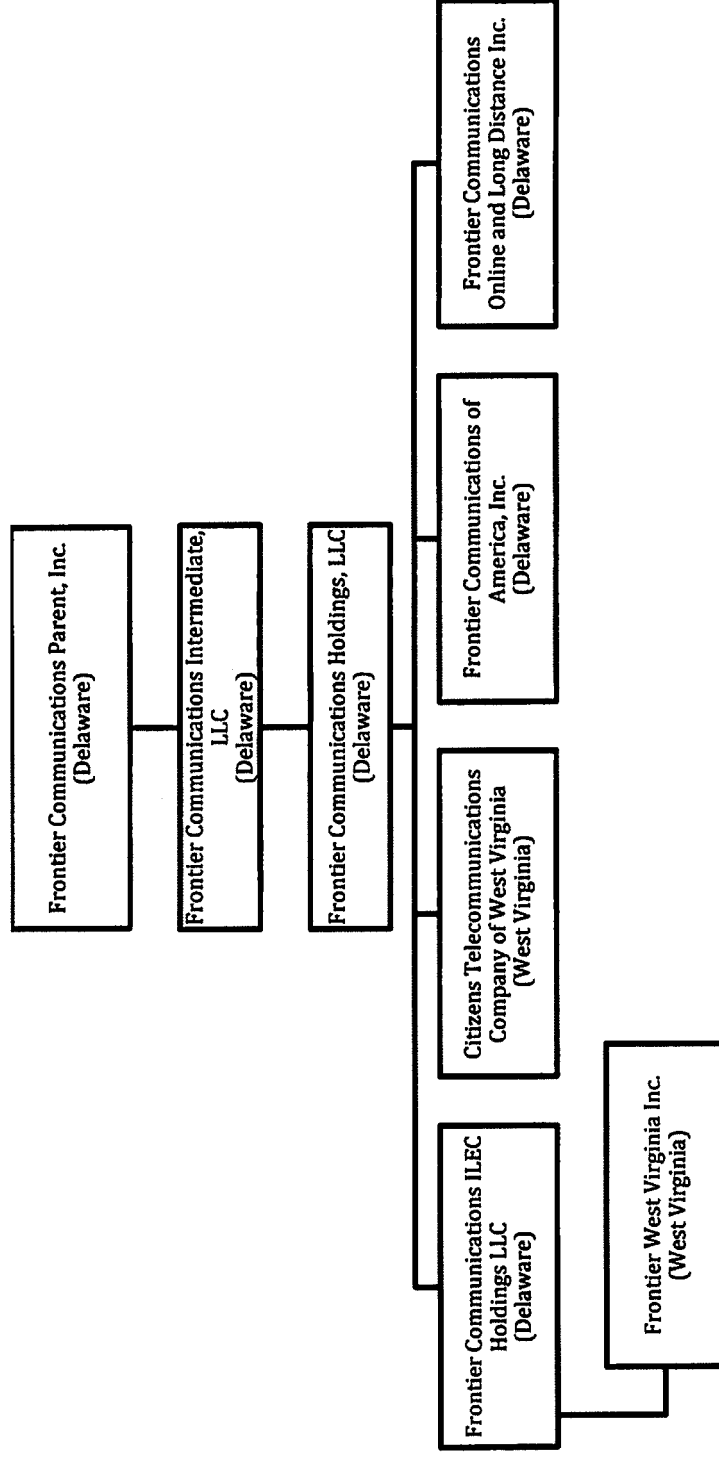
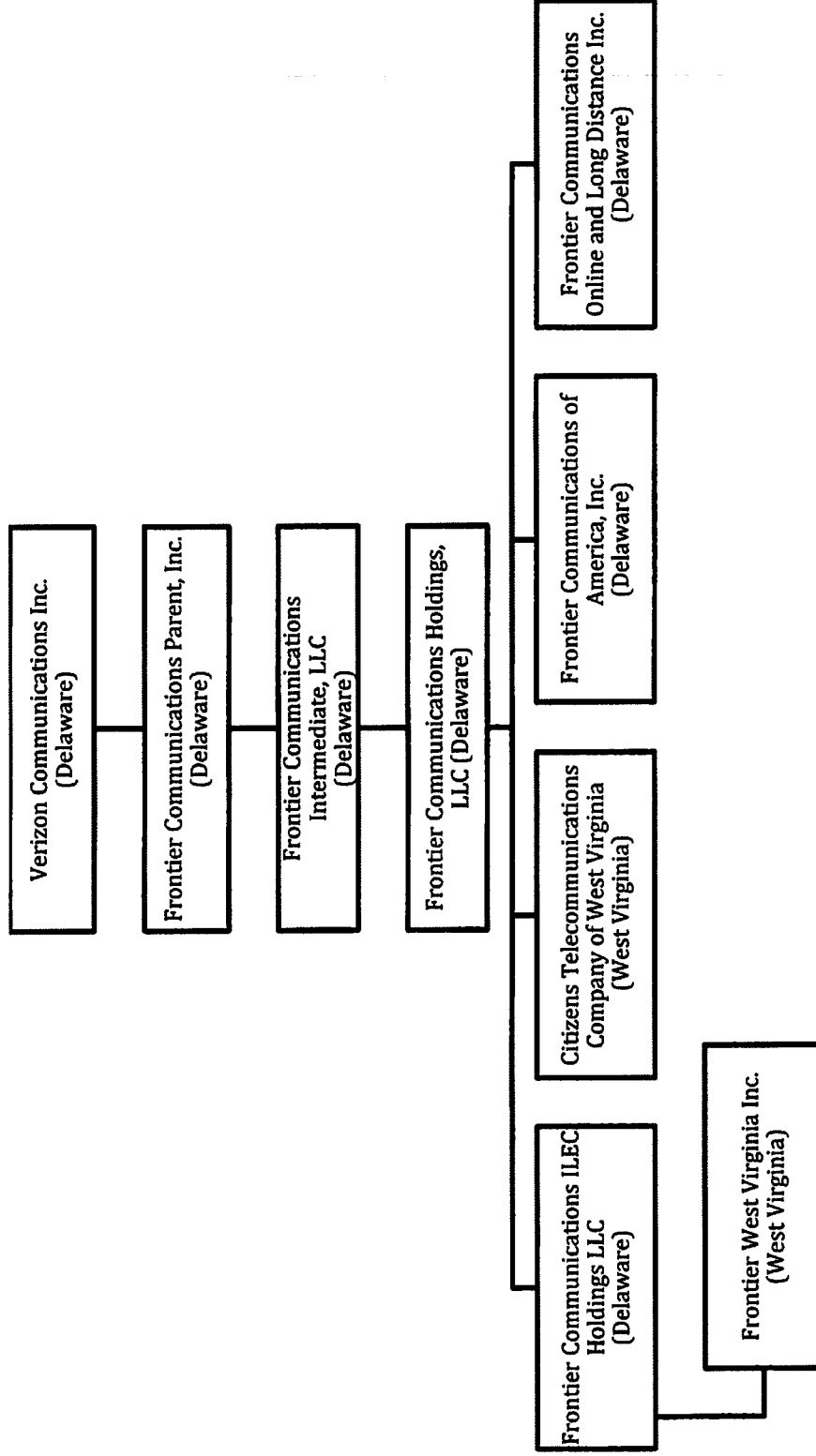


EXHIBIT A

Post-Transaction Ownership



All ownership interests are 100% voting and equity.

VERIFICATION OF KEVIN SAVILLE

000039

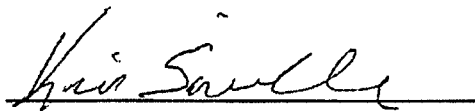
VERIFICATION

State of West Virginia, Charleston
Public Service Commission

State of MINNESOTA,
County of HENNEPIN, to wit:

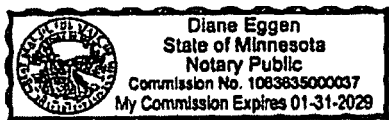
I, Kevin Saville, state that I am Senior Vice President and General Counsel of Frontier Communications Parent, Inc. I am authorized to represent Frontier Communications Parent, Inc., one of the applicants named in the foregoing Joint Application, and the Frontier West Virginia Operating Subsidiaries, and to make this verification on their behalf. I have personal knowledge of the facts contained herein and, being duly sworn, say that the facts and allegations therein contained are true, except so far as they are therein stated to be on information, believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.



Kevin Saville
Senior Vice President and General Counsel
Frontier Communications Parent, Inc.

The foregoing instrument was subscribed and sworn to before me this 30th date of October 2024.


Notary Public

My commission expires 1/31/2029.

VERIFICATION OF PAUL B. VASINGTON

000041

VERIFICATION

State of West Virginia, Charleston

Public Service Commission

Commonwealth of Massachusetts

County of Barnstable

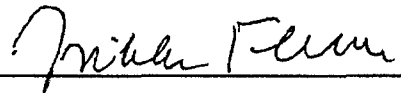
I, Paul B. Vasington, state that I am Senior Director – Regulatory and Government Affairs of Verizon. I am authorized to represent Verizon Communications, Inc., one of the applicants named in the foregoing Joint Application, and to make this verification on their behalf. I have personal knowledge of the facts contained herein and, being duly sworn, say that the facts and allegations therein contained are true, except so far as they are therein stated to be on information, believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.



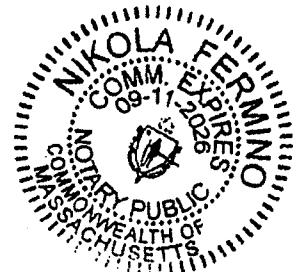
Paul B. Vasington

The foregoing instrument was subscribed and sworn to before me this 31st date of October 2024.



Notary Public

My commission expires 9/11/2026



000042