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May 22, 2020

VIA ELECTRIC FILING

Public Service Commission of Utah
Heber M. Wells Building
160 East 300 South
Salt Lake City, Utah 84116

Attn: Mr. Gary Widerburg
Commission Administrator

Re: **Docket Nos. 20-2218-___, 20-041-__, and 20-050__**
Application for Acknowledgement of a Transfer of Control Associated with the Joint Chapter 11 Plan of Reorganization of Frontier Communications Corporation and its Subsidiaries, Including Certain Financing and Security Arrangements

Dear Commissioners:

Frontier Communications Corporation ("Frontier"), Citizens Telecommunications Company of Utah d/b/a Frontier Communications of Utah ("Frontier Utah"), Navajo Communications Company, Inc. ("Navajo"), and Frontier Communications of America, Inc ("FCA") (collectively, the "Applicants") hereby submit for filing an Application for Acknowledgement of a Transfer of Control Associated with the Joint Chapter 11 Plan of Reorganization of Frontier Communications Corporation and its Subsidiaries, Including Certain Financing and Security Arrangements ("Application").

The Application identifies a proposed plan of reorganization that is addressed in a Joint Chapter 11 bankruptcy filing pending in the United States District Court for the Southern District of New York. As set forth in the Application, the Applicants do not believe that Commission approval of the plan of reorganization is required. However, the Applicants wish to provide notice to the Commission of the bankruptcy filing and the proposed plan of reorganization and provide an opportunity for the Commission to inquire about the proposed plan of reorganization and how it may affect the operations of Frontier's subsidiaries providing services in Utah.

Finally, for the reasons set forth in the Application and accompanying testimony, Applicants request that the Application be adjudicated informally pursuant to Utah Code § 63G-4-203 and Utah Admin. Code R746-110.

The Applications respectfully request that all formal correspondence and requests for additional information regarding the Application be directed to the following:

By email (preferred)

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Sincerely yours,

Phillip J Russell

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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of Frontier Communications Corporation, Citizens Telecommunications Company of Utah, Navajo Communications Co., Inc., and Frontier Communications of America, Inc. For Acknowledgement of a Transfer of Control Associated with the Chapter 11 Plan of Reorganization of Frontier Communications Corporation and its Subsidiaries	Docket No. 20-2218-__ Docket No. 20-041-__ Docket No. 20-050-__

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Frontier Communications Corporation ("Frontier"), Citizens Telecommunications Company of Utah d/b/a Frontier Communications of Utah ("Frontier Utah"), Navajo Communications Co., Inc. ("Navajo"), and Frontier Communications of America, Inc. ("Frontier America") (Frontier Utah, Navajo, and Frontier America, collectively, the "Utah Operating Subsidiaries," and together with Frontier, the "Applicants") hereby submit an Application for Acknowledgement of a Transfer of Control (the "Application") in connection with the corporate restructuring that is expected to result from the chapter 11 cases of Frontier and its direct and indirect subsidiaries (the "Chapter 11 Cases"). Pursuant to Utah Code Ann. §§ 54-4-28, 54-4-29 & 54-4-30, the Applicants respectfully request that the Public Service Commission of Utah (the "Commission") expeditiously determine that it is not required to approve the planned restructuring of Frontier under the applicable state statutes/rules or, alternatively, to approve, to the extent required, the transfer of control of the Applicants and related financing arrangements needed to effectuate the pre-arranged plan of reorganization (the "Plan," and the transactions contemplated thereunder, the "Restructuring") under chapter 11 ("Chapter 11") of title 11 of the United States Bankruptcy Code (the "Bankruptcy Code").[1]

On April 14, 2020, Frontier commenced a Chapter 11 proceeding after entering into a Restructuring Support Agreement (the "RSA")[2] with the support of over 75% of Frontier's senior

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[1] On April 15, 2020, the Applicants notified the Commission that, on April 14, 2020 (the "Petition Date"), Frontier and its direct and indirect subsidiaries (collectively, the "Company" or the "Debtors"), including the Applicants, filed voluntary petitions (the "Bankruptcy Petitions") for relief under the Bankruptcy Code with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") to reorganize under the Bankruptcy Code. The Chapter 11 Cases are being jointly administered under the caption *In re Frontier Communications Corporation, et al.,* Case No. 20-22476 (RDD).

[2] The RSA is available at https://docs.frontierpucapproval.com/frontier-rsa.pdf.

unsecured noteholders (the "Consenting Noteholders").[3] Since the Petition Date, Frontier has worked with the Consenting Noteholders to memorialize the terms set forth in the RSA in the Plan. The Plan was filed with the Bankruptcy Court on May 15, 2020, and is expected to be confirmed by the Bankruptcy Court in August 2020. Frontier is prepared to emerge from Chapter 11 as soon as it has secured the necessary regulatory approvals, including the approval of this Commission, if required.

The RSA and the Plan contemplate a reduction of Frontier's funded debt obligations by over $10 billion (and thereby reducing its annual interest expense by approximately $1 billion) by converting the Senior Noteholders into shareholders of a new, reorganized Frontier parent company ("Reorganized Frontier"). Immediately upon emergence from Chapter 11, the Senior Noteholders will receive and hold the new common stock of Reorganized Frontier, though no single noteholder is anticipated to hold a 10% or greater direct or indirect interest in Reorganized Frontier. It is intended that the new common stock of Reorganized Frontier will be publicly traded and listed on a recognized U.S. stock exchange as promptly as reasonably practicable after the Company's emergence from Chapter 11. Thus, as is the case today, the ownership of Reorganized Frontier will be widely dispersed.

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[3] "Senior Noteholders" is defined in the Plan and is comprised of the holders of approximately $10.95 billion in aggregate principal amount of senior unsecured notes issued by Frontier with maturities between September 2020 and October 2046 (the "Senior Notes") that are publicly-traded. "Consenting Noteholders" is defined in the Plan and is comprised of approximately 200 Senior Noteholders who have executed the RSA and have agreed to support the Plan and that hold over 75% of the Senior Notes through more than 40 different investment funds. The Consenting Noteholders are primarily comprised of large, U.S.-based financial investment funds with experience in investing in U.S. telecommunications and technology companies.

The Restructuring is in the public interest as it will benefit existing and future Frontier customers in Utah and other states. The Restructuring will better position Frontier and its operating companies, including the Utah Operating Subsidiaries, to compete and provide services in Utah and to become more efficient and effective competitors in the dynamic telecommunications marketplace. Further, the Restructuring will be, for all practical purposes, imperceptible to the Utah Operating Subsidiaries' residential, business, and wholesale customers in Utah. The Utah Operating Subsidiaries will continue to provide regulated voice and other services to their existing customers on the same rates, terms, and conditions as they do today, and in accordance with their existing filed tariffs and contractual arrangements. Customer service will not be interrupted, eliminated, impaired, or increased in price as a result of the Restructuring, and the Applicants will continue to provide 911, voice telephone, and other services. The Restructuring will not result in the assignment of any of the Utah Operating Subsidiaries' certifications, authorizations, assets, or customers in Utah. Thus, implementation of the Plan will not adversely affect operations, rates, or services in Utah.

Any delay or other impediment to the implementation of the Plan would be detrimental to the ongoing financial viability of Frontier and would undermine the Applicants' ability to provide telecommunications services to their customers in Utah. Therefore, the Applicants request that the Application be adjudicated informally pursuant to Utah Code § 63G-4-203 and Utah Admin. Code R746-1-104(1)(c) and that the Commission, without a hearing, enter its Report and Order in tentative form to become effective not less than 20 days after its issuance. If the Commission declines to adjudicate this Application informally, the Applicants request that the Commission set an expedited schedule to enable issuance of an approval order no later than September 30, 2020.

The facts and documents necessary to facilitate an expedited review, and to permit completion of the Restructuring as soon as possible, are set forth below.

I. THE APPLICANTS

A. Frontier Communications Corporation

Frontier is the publicly-traded holding company of each of the Frontier operating companies, including each of the Utah Operating Subsidiaries.[4] It is a Delaware corporation headquartered at 401 Merritt 7, Norwalk, Connecticut 06851. Frontier is a provider of communications services to urban, suburban, and rural communities. As of December 31, 2019, Frontier and its subsidiaries had approximately 18,300 employees serving approximately 4.1 million customers. Frontier currently owns and operates more than 50 incumbent local exchange carriers ("ILECs") located in 25 states, including Frontier Utah and Navajo.[5] Frontier America is certificated as an interexchange carrier ("IXC") providing interstate and intrastate long-distance service on a resale basis in Utah.

Frontier, through its subsidiaries, offers residential consumers, businesses, and wholesale customers a broad range of communications services—distinct products or bundles—including local and long-distance service, data and Internet services, video services, access products, advanced hardware/network solutions, Voice-over-Internet-Protocol ("VoIP"), and other services. Some of Frontier's services and operations are subject to regulation by the FCC and various state

[4] Frontier has a total of 99 subsidiaries—57 direct and 42 indirect wholly-owned subsidiaries.

[5] As of the filing of this Application, Frontier's 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. On May 1, 2020, Frontier closed the sale of its local operating companies in Idaho, Montana, Oregon, and Washington to Northwest Fiber, LLC.

regulatory agencies, including this Commission. Frontier competes with wireless telecommunications carriers, cable television companies, competitive local exchange carriers ("CLECs"), online video providers, satellite providers, and fiber providers that offer voice, data, and/or video products. These competitors have captured the majority of the market share in Frontier's service regions.

In 2019, Frontier generated revenue of $8.107 billion and had a net income loss attributable to common shareholders of $5.911 billion.[6] Frontier has a significant amount of funded indebtedness, which amounted to approximately $17.5 billion outstanding as of the Petition Date, with significant debt payments coming due in the next several years. As a result of these financial challenges, Frontier's share price dropped from $125.70[7] per share in 2015 to $0.37 per share prior to the Petition Date, reflecting an $8.4 billion decrease in market capitalization. Frontier did not pay any dividends to its shareholders in 2019 or 2018.

B. Citizens Telecommunications Company of Utah

Frontier Utah is a Utah wired telecommunications carrier with its principal place of business located at 40 W 100 North, Tremonton, UT 84337-1408. Frontier Utah, a wholly-owned subsidiary of Frontier, is an ILEC authorized to provide local exchange service in Utah pursuant to a CPCN acquired after its formation in 1993. *See* Docket No. 93-041-01. Frontier Utah

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[6] In 2018 and 2017, respectively, Frontier generated full-year revenue of $8.611 billion and $9.128 billion and had a net income loss attributable to common shareholders of $750 million and $2.018 billion. For 2019, the increase in net loss was primarily driven by decreased revenues of $8.112 million, loss on disposal of $450 million, and a $5.725 million goodwill impairment charge, partially offset by decreased network related, selling, general, administrative, and other operating expenses.

[7] Actual stock price at the peak market capitalization on February 25, 2015 was $8.38 per share. This price has been retroactively adjusted to reflect Frontier's 1-for-15 stock split in June 2017, so it is shown here as $8.38 times 15, or $125.70.

furnishes services in 24 exchanges in rural areas of northern, central, and southeastern Utah, with approximately 8,892 residential and commercial access lines in Utah.

C. Navajo Communications Co., Inc.

Navajo is a Utah wired telecommunications carrier with its regional offices located at Highway 264 and Navajo Communications Road, St. Michaels, AZ 86511 and its principal place of business in Utah at 40 W 100 North, Tremonton, UT 84337-1408. Navajo, a wholly-owned subsidiary of Frontier, is an ILEC authorized to provide local exchange service in Utah, Arizona, and New Mexico. Frontier acquired Navajo in 1995. *See* Docket No. 95-051-01. Navajo furnishes services in 3 exchanges in rural areas of southeastern Utah, with approximately 278 residential and commercial access lines in Utah.

D. Frontier Communications of America

Frontier America is a Delaware corporation with its principal offices located at 401 Merritt 7, Norwalk, Connecticut 06851. Frontier America, a wholly-owned subsidiary of Frontier, is an IXC authorized to provide intrastate long-distance service and interstate long-distance service in Utah pursuant to a CPCN issued by this Commission to Citizens Telecommunications Company in 1996. *See* Docket No. 96-2218-01. Frontier America subsequently merged with Citizens Telecommunications Company and changed its name to Frontier Communications of America, Inc. in 2003. *See* Docket No. 03-2218-02.

II. DESCRIPTION OF THE CHAPTER 11 PROCEEDING

A. Events Leading to the Chapter 11 Filing

Frontier has arrived at a point of unsustainable debt obligations and financial instability that necessitates reorganization. Three principal factors have contributed to this situation.

First, Frontier faces intense competition, resulting in negative pressures on its revenues and profitability margins. The telecommunications industry in general, and Frontier's markets specifically, have undergone dramatic changes since passage of the Telecommunications Act of 1996. ILECs such as Frontier's operating subsidiaries have experienced rapid ongoing losses of voice, data, and video customers. In response to the turbulent industrywide changes, Frontier completed a series of acquisitions over the last decade to diversify its geographic market reach, gain scope and scale, and realize incremental operating efficiencies. However, throughout this period, technological advances as well as regulatory and legislative changes have enabled a wide range of historically non-traditional communications service providers to compete with traditional providers, including Frontier.

Today, Frontier provides voice service to less than 10% of the voice market in its national footprint. Only approximately one-half of Frontier's total revenue is derived from providing services to residential consumers and, in Utah, only approximately 30% of that revenue is from traditional local exchange voice service. Frontier generates substantially more of its revenue from Internet/data services, VoIP, video, and other services. As such, the current telecommunications marketplace bears no resemblance to the conditions that existed in its monopoly past.

Second, Frontier has been constrained by high debt-service costs associated with its recent acquisitions, most notably in the wake of the 2016 acquisition of certain operations and assets of Verizon Communications, Inc. ("Verizon").[8] As of the Petition Date, Frontier and its subsidiaries had approximately $17.5 billion of funded debt obligations, with large debt payments coming due

[8] On April 1, 2016, Frontier closed its purchase of the Verizon's California, Texas and Florida operations at a purchase price of approximately $10.5 billion. The acquisition was financed with approximately $8.2 billion in new debt and the issuance of approximately $2.75 billion in common and preferred stock.

in the near term, particularly in 2022. In both 2018 and 2019, Frontier paid interest expense of approximately $1.5 billion.[9]

Third, Frontier serves many high-cost exchanges, including in Utah. Generally, Frontier receives less (more often, no) high-cost support despite the fact that Frontier's service territory remains extremely costly to serve. In addition, Frontier operates under an outdated regulatory framework under which its ILEC operating subsidiaries incur significant regulatory costs and obligations that its formidable competitors, who control a greater share of the telecommunications market, do not.

As a result of these challenges, Frontier has engaged in a deliberate process to evaluate operating and restructuring alternatives. In Frontier's filings with the Bankruptcy Court on April 14, 2020 in support of the Chapter 11 Petitions, Frontier provided a detailed background for the Restructuring and the steps that Frontier's board of directors (the "Board") took to evaluate restructuring alternatives.[10] In short, the Board determined that given Frontier's overall business performance, operating improvements on their own would be insufficient to right the Company and a comprehensive restructuring of the Company's capital structure was necessary. The Board concluded that without the financial flexibility gained through a restructuring, Frontier would not be able to dedicate sufficient capital to its operations, including investments in network

[9] In 2019 and 2018, Frontier's interest expense was $1.535 billion and $1.536 billion, respectively.

[10] The Declaration of Carlin Adrianopoli, Executive Vice President of Strategic Planning, In Support of Chapter 11 Petitions and First Day Motions, filed with the Bankruptcy Court on April 14, 2020 (the "Adrianopoli Declaration"), at paras. 11-29, provided a detailed background for the Restructuring and the steps that the board of directors of Frontier took to evaluate restructuring alternatives. The Adrianopoli Declaration is available at https://docs.frontierpucapproval.com/frontier-first-day-declaration.pdf.

infrastructure, to maintain and grow the Company in a changing telecommunications environment where competition remains fierce.

B. The Debtors and the Status of the Chapter 11 Proceeding

As noted above, on April 14, 2020, Frontier and all of its direct and indirect subsidiaries, including the Applicants, filed voluntary petitions to reorganize under the Bankruptcy Code. Frontier filed the Chapter 11 Cases with the support of the Consenting Noteholders, who collectively hold over 75% of the senior unsecured notes.

Since the Petition Date, Frontier has worked with the Consenting Noteholders[11] to memorialize the terms set forth in the RSA into the Plan, which was filed with the Bankruptcy Court on May 15, 2020.[12] With the Plan, the Company stands positioned to emerge from Chapter 11 as a stronger and better-capitalized enterprise that is positioned to leverage its national platform and going-forward investments for sustained success. Importantly, through the Restructuring, all non-funded debt claims against the Company, including all non-funded debt owed to its employees, contractors, vendors, suppliers, carriers, and other third-parties, will be paid in full. In so doing, the Restructuring is intended to minimize any potential adverse effects to Frontier's businesses, thus positioning the Company to be successful upon its emergence from Chapter 11.

[11] Frontier has also received input from the official committee of unsecured creditors appointed in the Chapter 11 Cases and other key stakeholders in its Chapter 11 Cases.

[12] The Debtors also filed several motions upon commencing the Chapter 11 Cases (the "First Day Motions") designed to facilitate the administration of the Restructuring, minimize disruption to the Debtors' operations, and effectuate the terms of the Plan, thereby easing the strain on the Debtors' relationships with employees, vendors, and customers following the commencement of these Chapter 11 Cases. At a hearing on April 16, 2020, the Bankruptcy Court approved each of the First Day Motions. Following approval of the First Day Motions, the Debtors filed several other motions to further facilitate the smooth and efficient administration of these Chapter 11 Cases, in order to allow Frontier to operate in the ordinary course of business with minimal disruption to operations.

In conjunction with the Plan, Frontier has also filed its disclosure statement (the "Disclosure Statement") with the Bankruptcy Court.[13] The Senior Noteholders are the only creditor group entitled to vote on the Plan. Section 1126(c) of the Bankruptcy Code requires acceptance of the Plan by at least two-thirds in dollar amount and more than one-half in number of Senior Noteholders. As noted above, 75% of the Senior Noteholders have executed the RSA and agreed to support the Plan. Therefore, Frontier expects the Plan to be confirmed by the Court without material modification in August 2020, after which Frontier would be prepared to emerge from Chapter 11 as soon as it has secured the necessary regulatory approvals, including the approval of this Commission, if required.[14]

III. DESCRIPTION OF THE RESTRUCTURING AND NEW FINANCING AND SECURITY ARRANGEMENTS

A. Key Provisions of the Restructuring Plan

To install the Senior Noteholders as the new shareholders, consistent with the RSA and the Plan, a new corporate structure will be formed consisting of three newly-formed companies: Reorganized Frontier, Frontier Communications Intermediate, and Frontier Communications Holdings, depicted as follows:

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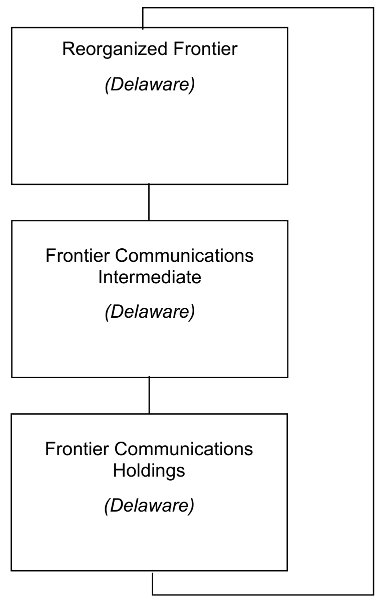
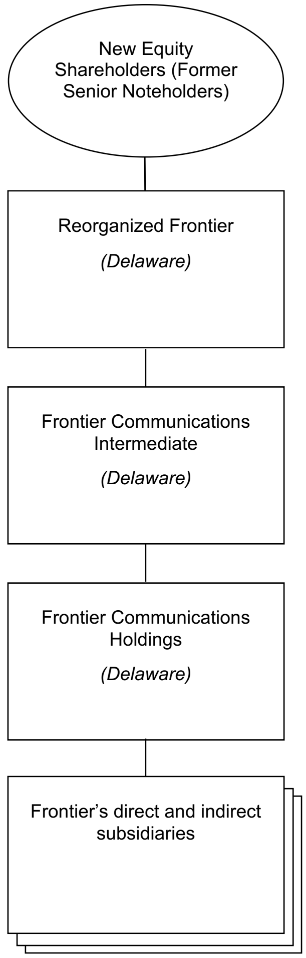
[13] The draft Disclosure Statement is available at https://docs.frontierpucapproval.com/frontier-disclosure-statement.pdf.

[14] In the event the of a material modification of the Plan during the course of the Chapter 11 proceeding, the Applicants will advise the Commission.



The three companies will replace Frontier (the current publicly-traded parent holding company) in the ownership structure of the Frontier subsidiaries, including in the ownership structure of the Utah Operating Subsidiaries. As part of the Chapter 11 emergence process, Frontier will transfer all of the stock of its 57 direct, first-tier subsidiaries, including Frontier Utah, Navajo, and Frontier America, and any other assets directly held by Frontier to the newly-formed Frontier Communications Holdings. All outstanding and issued stock of Frontier will be cancelled and the legal entity will dissolve. In other words, upon emergence, all existing direct, first-tier subsidiaries will be directly owned by Frontier Communications Holdings. Frontier's 42 indirect subsidiaries will continue to be held by the existing intermediate holding company entities, with no change in their current corporate organizational structure below the level of Frontier (the current publicly-traded parent holding company).

The post-emergence overall corporate structure will be as follows:



Following emergence from Chapter 11, each Senior Noteholder will receive its pro rata share of the new common stock of Reorganized Frontier. The Senior Noteholders will own the new common stock of Reorganized Frontier, though none of the Senior Noteholders is anticipated to individually hold, directly or indirectly, 10% or more of the new common stock of Reorganized Frontier.[15] Thus, as is the case today, ownership of Reorganized Frontier will be widely dispersed. Indeed, the primary change resulting from the Restructuring is a change of the stock ownership of Frontier from its existing public shareholders to the Senior Noteholders. Further, it is intended

[15] Under the terms of the Plan, a small percentage of the Reorganized Frontier stock is reserved for a management incentive plan.

that the new common stock of Reorganized Frontier will be publicly traded and listed on a recognized U.S. stock exchange as promptly as reasonably practicable after the Company's emergence from Chapter 11.

Under the Plan, all regulatory authorizations currently held by Frontier's subsidiaries, including Frontier Utah, Navajo, and Frontier America, will continue to be held by those same entities. In addition, the Restructuring will not create any new majority shareholders, nor will it provide any new persons or entities operational control of Frontier, the Utah Operating Subsidiaries, or any other Frontier subsidiaries.

B. Key Provisions of the Financing and Security Arrangements

As of the Petition Date, Frontier had outstanding funded debt of approximately $17.513 billion and was paying approximately $1.5 billion in annual interest expense. The Plan proposes converting more than $10 billion of Frontier's unsecured notes into new common stock in Reorganized Frontier. Consequently, Frontier's funded debt obligations are expected to be reduced to approximately $6.565 billion at emergence, exclusive of any new money financing Frontier may obtain.[16] The expected remaining debt after the Restructuring is comprised of approximately $3.359 billion in first-lien debt, approximately $1.6 billion in second-lien debt, approximately $856 million in subsidiary debt (on both a secured and unsecured basis), and up to $750 million in takeback debt (on a third-lien or unsecured basis). Frontier anticipates that its

[16] Frontier has been able to secure fully-committed additional financing of up to $460 million in debtor-in-possession financing, in the form of a revolving credit facility, that would convert to an exit revolving credit facility at emergence (the "DIP Facility"). Frontier is still considering the financing option, and the pro forma capital structure figures above assume no outstanding principal amount under that facility. Entrance into the DIP Facility or exit financing arrangement may potentially increase the debt levels described above to $7.025 billion, assuming the facility is fully drawn (although no borrowings are currently anticipated), which still represents an over $10 billion reduction in the outstanding funded debt as of the Petition Date.

annual interest obligations will decrease from approximately $1.5 billion to approximately $500 million, thereby freeing up substantial capital for operating the business post emergence.

With the Plan, the Applicants stand positioned to emerge from Chapter 11 as a stronger and better-capitalized enterprise that is positioned to leverage its national platform and go-forward investments for sustained success.

Importantly, through the Restructuring all non-funded debt owed to its employees, contractors, vendors, suppliers, carriers, and other third-parties will be paid in full. Indeed, all employee wages, compensation, benefit programs, and collective bargaining agreements, including, without limitation, any expired collective bargaining agreements, in place as of the effective date Frontier emerges from Chapter 11, are anticipated to be assumed by Reorganized Frontier and remain in place as of the effective date of the Plan. Thus, the Restructuring is intended to minimize any potential adverse effects to Frontier's businesses, thereby positioning Frontier to be successful upon its emergence from Chapter 11.

IV. COMMISSION APPROVAL OF THE PROPOSED REORGANIZATION OF FRONTIER IS NOT REQUIRED

The Applicants respectfully request that the Commission find that they are not required to secure the Commission's approval for the Restructuring because the statutes controlling the Commission's authority over the merger, consolidation, or combination of public entities, Utah Code §§ 54-4-28, -29, and -30 (and the rules implementing those statutes), are inapplicable where, as here, there is no change in the ownership or control of the reorganized entity.

The Applicants are exempt from the prior-approval requirements of Utah Code §§ 54-4-28 through -30 for several reasons. First, Utah Code §§ 54-4-28 through -30 apply only when a public utility that does business in Utah transfers assets or control to another public utility. None of the individuals or entities that hold interests in Frontier operate as a public utility, own a public utility, or control a public utility. The Plan does not involve any transfers from one public utility to another, as Reorganized Frontier will ultimately retain all assets and control of Frontier Utah, Navajo, and Frontier America.

Second, the Restructuring will not result in any sale, assignment, or disposal of properties, franchises, facilities, assets, certificates, operations, or customers in the state of Utah, and Frontier Utah, Navajo, and Frontier America will retain their authorization to provide intrastate telecommunication services. The primary change resulting from the proposed Restructuring will be a change of the stock ownership of the parent company, Frontier, from its existing public shareholders to the Senior Noteholders that previously held its publicly-traded debt.

Third, none of the Utah Operating Subsidiaries receive high-cost support from the Universal Public Telecommunications Support Fund.

For these reasons, Utah Code §§ 54-4-28 through -30 do not apply to the Application. Accordingly, the Applicants respectfully request that the Commission conclude that its approval of the Restructuring is not required and, instead, issue a statement acknowledging the proposed Restructuring.

A. The Restructuring Meets the Commission's Standard for Approval

If the Commission were to deny the Applicants' request to acknowledge the Restructuring and that approval is not required and, instead, determine that its approval is required, Frontier respectfully requests that the Commission expeditiously grant approval of the transfer of control pursuant to Utah Admin. Code R746-110 without a hearing. The standard for approval under Utah Code Ann. §§ 54-4-28 through -30 is whether the transaction satisfies the public interest, which is met if the transaction, in addition to other relevant factors, has no negative impact on captive customers of the telecommunications corporation. The Restructuring clearly satisfies the Commission's standard, as more fully discussed herein, and will provide substantial public benefits, far exceeding the standard.

Under Utah Code Ann. §§ 54-4-28, 54-4-29 & 54-4-30, the Commission must determine whether the Restructuring—that is, the transfer of control and the financing arrangements described above—is consistent with the public interest, convenience, and necessity. In order to assess whether a transaction is in the public interest, the Commission is guided by the statement of legislative intent set forth in Utah Code § 54-8b-1.1, which addresses whether the transaction:

- Facilitates access to high-quality, affordable public telecommunications services to all residents and businesses in the state;
- Encourages the development of competition as a means of providing wider customer choices for public telecommunications services throughout the state;
- Allows flexible and reduced regulation for telecommunications corporations and public telecommunications services as competition develops;
- Facilitates and promotes the efficient development and deployment of an advanced telecommunications infrastructure, including networks with nondiscriminatory prices, terms, and conditions of interconnection;
- Encourages competition by facilitating the sale of essential telecommunications facilities and services on a reasonably unbundled basis;
- Seeks to prevent prices for tariffed public telecommunications services or price-regulated services from subsidizing the competitive activities of regulated telecommunications corporations;
- Encourages new technologies and modifies regulatory policy to allow greater competition in the telecommunications industry;
- Enhances the general welfare and encourages the growth of the economy of the state throughout increased competition in the telecommunications industry; and

- Endeavors to protect customers who do not have competitive choices.

As discussed herein, the Restructuring will yield substantial public interest benefits and will not result in any material adverse impacts to retail or wholesale customers of the Applicants.

B. The Restructuring Is Consistent With the Public Interest

The Applicants respectfully submit that the Restructuring serves the public interest as it is designed to ensure that Frontier will emerge from Chapter 11 as a financially-stronger service provider and competitor. As explained above, the Restructuring will reduce Frontier's debt by more than $10 billion and reduce its annual interest obligations by approximately $1 billion.

Frontier's pre-Chapter 11 debt service obligations constrained Frontier's ability to maintain and improve its network and services. Post-Chapter 11, Frontier will have greater financial flexibility and resources to operate its businesses and more effectively compete with cable, wireless, and other competitive service offerings.

Specifically, the significant reduction of debt and interest obligations, and improved capital structure, resulting from the Restructuring will significantly improve Frontier's financial condition and will better position the Applicants to focus on maintaining and improving customer services. Consumers and businesses will benefit from the continued presence of the Applicants in the marketplace, and the availability of local exchange and other services. Moreover, as the result of the Restructuring, the Applicants will have improved access to capital, enhancing their ability to offer higher-quality and more robust products, more effectively compete in a more vigorous telecommunications marketplace, and better serve the needs of existing and new customers throughout its service territory, including in Utah.

Any new regulatory conditions or commitments imposed as a part of this proceeding would be unnecessary and potentially harmful. Frontier understands the importance of providing improved customer service in a fiercely competitive telecommunications market, where customers often choose the convenience of wireless devices or the performance of high-speed broadband products from other providers. Further, in a demonstrably competitive marketplace, it would be damaging competitively to impose on Frontier new and asymmetrically costly obligations.

C. The Restructuring Will Not Eliminate or Reduce Frontier's Ongoing Regulatory Commitments or Obligations

Frontier will continue to comply with its existing regulatory requirements under Utah statutes and rules, and the proposed Restructuring will not alter the Applicants' commitments and obligations. Additionally, the Applicants will comply with any other applicable rules and orders of the Commission. The Applicants are also parties to agreements and other arrangements with other regulated service providers in Utah, including other ILECs, CLECs, and IXCs and the Restructuring will not alter the rights and obligations of the Applicants under those agreements and arrangements.

D. The Restructuring Will Not Lead to Any Adverse Impact on Customers

1. The Restructuring Will Be Seamless for Customers

The Restructuring will be seamless for the Applicants' customers and will not adversely affect operations, management, or employees. Indeed, all employee wages, compensation, benefit programs, and collective bargaining agreements, including, without limitation, any expired collective bargaining agreements, in place as of the date Frontier emerges from Chapter 11, are anticipated to be assumed by Reorganized Frontier and remain in place as of the effective date of the Plan. Further, the Chapter 11 process is specifically designed to enable companies to operate as usual while they develop and implement a financial restructuring plan. The Applicants will continue to operate before and after the Plan takes effect, and the Restructuring will not cause an interruption in service to customers, nor will any existing service be discontinued, reduced, or impaired as a result.

2. Restructuring Will Not Cause Changes to Prices, Terms, or Conditions of Contracts or Tariffs for Retail and Wholesale Customers

After the Restructuring, existing customers will continue to receive services at the same prices, terms, and conditions as under their existing contracts and tariffs. The Applicants will remain bound by their existing tariffs and contracts, and existing facilities and arrangements will remain undisturbed. No interruption or change in services provided by the Applicants will be made as a result of the Restructuring.

3. The Restructuring Will Not Harm Competition

The Restructuring will not result in any harm to competition in Utah. Rather, as described above, the Restructuring involves only the financial restructuring of the Debtors, which will provide the Applicants with greater financial stability and the ability to support their continuing operations, meet their financial obligations, and focus on improving service to customers.

The Restructuring will also not impede competition or eliminate Frontier as a competitor in any region or eliminate the possibility of a future new competitor in these areas. In addition, Frontier does not seek to modify or reject any of its existing interconnection agreements with CLECs or other service obligations to competitors or other carriers in its Chapter 11 proceeding. Rather, Frontier will continue to honor the terms of its agreements with CLECs, other carriers, and wholesale customers.

V. CONTACT INFORMATION

Correspondence concerning this Application should be directed to:

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By regular mail:

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VI. CONCLUSION

For the reasons set forth above, the Applicants respectfully submit that the Restructuring serves the public interest, convenience, and necessity. Although Commission approval of the Application is not required under Utah law or Commission Rules, the Applicants nevertheless provide notice of the Restructuring to allow the Commission to conduct any inquiry it deems necessary. The Applicants respectfully request that the Commission treat the Application on an informal basis consistent with Utah Code § 63G-4-203 and Utah Admin. Code R746-110 and formally acknowledge the Restructuring and determine that approval is not required or, alternatively, issue any approvals needed to permit the Applicants to implement the Restructuring Plan by September 30, 2020, so that the benefits of the Restructuring can be realized as quickly as possible.

Dated this 22nd day of May, 2020.

Respectfully submitted,

Phillip J Russell

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Phillip Russell
JAMES DODGE RUSSELL & STEPHENS, P.C.

Counsel for Frontier Communications Corporation,
Citizens Telecommunications Company of Utah,
Navajo Communications Co., Inc., and
Frontier Communications of America, Inc.

CERTIFICATE OF SERVICE

I hereby certify that on this 22nd day of May, 2020, I caused a true and correct copy of the foregoing to be served via email upon the following:

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/s/ *Phillip J. Russell*