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UTAH DEPARTMENT OF COMMERCE

Division of Public Utilities

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Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director
Brenda Salter, Assistant Division Director
Abdinasir Abdulle, Utility Technical Consultant Supervisor
Ron Slusher, Utility Technical Consultant

Date: December 20, 2024

Re: **Docket No. 24-2218-01 / 24-041-02 / 24-050-02;** In the Matter of the Joint Application for the Transfer of Control of Frontier Communications Parent, Inc., together with: Citizens Telecommunications Company of Utah d/b/a Frontier Communications of Utah, Navajo Communications Co., Inc., and Frontier Communications of America, Inc. to Verizon Communications, Inc.

Recommendation (Acknowledge)

The Division of Public Utilities (“Division”) has reviewed the notification of the transfer of control of Frontier Communications Parent, Inc. (“Frontier Parent”) together with its subsidiaries; Citizens Telecommunications Company of Utah d/b/a Frontier Communications of Utah (“Citizens”), Navajo Communications Co., Inc. (“Navajo”), and Frontier Communications of America, Inc. (“Frontier America”), and Verizon Communications, Inc. (Verizon”) (together the “Applicants” or “Companies”). The public interest will be promoted by the Public Service Commission (“Commission”) acknowledging this Transfer of Control of Frontier Parent to Verizon. As a result of the transfer, the companies should be in a better position to provide expanded and advanced telecommunications services in the State of Utah.

The Division expects that based on history, a filing of this type and with the information submitted by the Company will generate no objections or opposition to this recommendation. Therefore, the Division agrees with the Company's request that this docket be adjudicated informally in accordance with Utah Administrative Code R746-1-104(1)(c).

Discussion

On or about November 20, 2024, Frontier Parent and Verizon filed an application for a transaction under Utah Code § 54-4-28, 54-4-29, and 54-4-30 with the Commission, which will result in a transfer of control of Frontier Parent and the indirect transfer of control of its subsidiaries to Verizon.

Verizon is Delaware corporation, headquartered at 1095 Avenue of America, New York, NY. 10036. Verizon is a holding company and does not offer services in the state of Utah. However, it currently has several subsidiaries operating in Utah ranging from CLECs to IXCs.

Frontier Parent is a Delaware corporation, headquartered at 1919 McKinney Avenue, Dallas, TX 75201. Frontier Parent owns and operates over 50 Incumbent Local Exchange Carriers ("ILECs"), Competitive Local Exchange Carriers ("CLECs"), and Inter-Exchange Carriers (IXC") across the United States. Its subsidiaries that operate in Utah are listed and described below.

Citizens is a Delaware corporation, headquartered at 401 Merritt 7, Norwalk, CT. 06851. Citizens is an ILEC authorized to provide local exchange service in Utah pursuant to a Certificate of Public Convenience and Necessity ("CPCN") acquired after its formation in 1993 issued under Docket No. 93-041-01.

Navajo is a New Mexico corporation, headquartered at 401 Merritt 7, Norwalk, CT. 06851. Navajo is an ILEC authorized to provide local exchange service in Utah pursuant to a CPCN issued under Docket No. 95-050-01.

Per the Applicants filing these ILECs, Citizens provides services in 24 exchanges in rural areas of northern, central, and southeastern Utah, with approximately 6,000 residential and commercial access lines and Navajo services 3 exchanges in rural areas of southeastern Utah, with approximately 200 residential and commercial access lines in Utah.

Frontier America is a Delaware corporation, headquartered at 401 Merritt 7, Norwalk, CT. 06851. Frontier America is an IXC authorized to provide intrastate long-distance service and interstate long-distance service in Utah pursuant to a CPCN issued under Docket No. 96-2218-01.

On or about September 04, 2024, the Applicants entered into an agreement whereby Verizon will acquire 100 percent of Frontier Parent. The direct transfer of control of Frontier Parent will result in the indirect transfer of two ILECs, Citizens and Navajo, and one IXC, Frontier America within the state of Utah. The Applicants state that the transaction will occur at the holding company level and that there will be no transfer of assets or customers of the subsidiaries. Pursuant to the agreement the subsidiaries will continue to operate under the authority given by the Commission.

The Division sent an informal data request asking the applicants if the companies had filed the application with the Federal Communication Commission (“FCC”) or any other States. The Applicants responded that it had filed an application with the FCC on October 11, 2024 and provided the URL to the docket <https://www.fcc.gov/ecfs/search/search-filings/filing/1011130768207>. Included with the information for the FCC, the Applicants listed 12 other States and the dates when those applications were filed. Those States are California, New York, Pennsylvania, West Virginia, Connecticut, Illinois, Arizona, Virginia, Minnesota, Texas, Nevada, and Nebraska. None of the States have made any ruling on the application.

The Applicants submit that the transaction will serve the public interest. The Applicants expect that the transaction will enable the combined entities to better meet the needs of enterprises, wholesale buyers, and other customers. The transaction will bring together two organizations that have proven themselves to be in a highly competitive marketplace. The transaction will help create a stronger competitor by bringing together each organization’s

respective strengths. Operating as an integrated company will allow each of the operating companies to be more competitive and to deliver greater value and variety of services to their customers than they do individually.

The Applicants further submit that the transaction will be conducted in a manner that will be largely transparent to their customers. The transaction will not result in a change of carrier for customers or any assignment of authorizations, and in no event will it result in the discontinuance, reduction, loss, or impairment of service to customers.

Conclusion

The Division has reviewed the application filed by the Applicants for the transfer of control and concludes that the Applicants are in compliance with Utah Administrative Code R746-349-7 and Utah Codes § 54-4-28, 54-4-29, and 54-4-30 as Verizon is not a public utility and the transfer of control as described will be at the holding company level. The relevant provision of the administrative rule is below.

2. The CLEC shall submit an application which includes but is not limited to:
 - a. Identification that it is not an ILEC,
 - b. Identification that it seeks approval of the application pursuant to this rule,
 - c. A reasonably detailed description of the transaction for which approval is sought,
 - d. A copy of any filings required by the Federal Communications Commission or any other state utility regulatory agency in connection with the transaction, and,
 - e. Copies of any notices, correspondence, or orders from any federal agency or any other state utility regulatory agency reviewing the transaction, which is the subject of the application.¹

The Division recommends the Commission acknowledge this application.

¹ Utah Administrative Code R746-349-7(2)

cc. Kevin Saville, Sr. Vice President & General Counsel, Frontier Communications Parent, Inc.
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