

JOINT PETITION OF

VERIZON COMMUNICATIONS INC.

CASE NO. PUR-2024-00214

and

FRONTIER COMMUNICATIONS PARENT, INC., *et al.*

For approval of the indirect transfer of control of
Frontier Communications of Virginia, Inc., to
Verizon Communications Inc.

ORDER FOR NOTICE AND COMMENT

On November 21, 2024, Verizon Communications Inc. ("Verizon"), together with Frontier Communications Parent, Inc. ("Frontier Parent"), Frontier Communications Intermediate, LLC, Frontier Communications Holdings, LLC, and Frontier Communications of Virginia, Inc. ("Frontier VA")¹ (collectively, "Frontier" and, jointly with Verizon, "Petitioners"), filed a Joint Petition ("Petition") with the State Corporation Commission ("Commission") pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"),² for approval to transfer indirect control of Frontier VA as part of a transaction whereby Verizon will acquire 100% of Frontier Parent and its subsidiaries ("Transfer").³

¹ Frontier VA is a Virginia public service corporation authorized to provide local exchange telecommunications services in Virginia pursuant to its certificate of public convenience and necessity granted by the Commission in Case No. PUC-2009-00073. *See Application of Frontier Communications of Virginia, Inc., For a certificate of public convenience and necessity to provide local exchange telecommunications services*, Case No. PUC-2009-00073, 2010 S.C.C. Ann. Rept. 236, Final Order (May 17, 2010). In Virginia, Frontier VA is an incumbent local exchange carrier ("ILEC").

² Code § 56-88 *et seq.*

³ Petition at 1.

According to the Petition, Frontier VA serves approximately 200 customers in the Crows and Hematite exchange in Allegheny County, Virginia.⁴ This area is served from a Frontier host office in West Virginia.⁵ The Petitioners state that the proposed Transfer is part of Verizon's larger acquisition of Frontier.⁶

In support of the proposed Transfer, the Petitioners represent that Verizon, through its subsidiaries, is already the ILEC and provider of local exchange telecommunications services in a large portion of the Commonwealth of Virginia, and that prior to 2010, Verizon provided the local exchange telecommunications service in the area at issue.⁷ The Petitioners assert that this demonstrates that Verizon has the financial, managerial, and technical resources necessary to render local exchange service to the customers of Frontier VA.⁸ The Petitioners state that with a market capitalization of approximately \$177 billion, and revenues of approximately \$134 billion and free cash flow of \$18.7 billion in 2023, Verizon has the financial qualifications to undertake control of, and operate, the Frontier companies and assets, including Frontier VA.⁹ The Petitioners state that Verizon, as the former owner of many of the facilities used to serve the area currently served by Frontier VA, is uniquely familiar with the network, service area, and customers at issue.¹⁰

⁴ *Id.*

⁵ *Id.*

⁶ *Id.*

⁷ *Id.* at 8.

⁸ *Id.*

⁹ *See id.* at 8-9.

¹⁰ *Id.*

The Petitioners state that the proposed Transfer will neither impair nor jeopardize the provision of adequate services to the public at just and reasonable rates.¹¹ The Petitioners state that Frontier VA will offer services with no change in the rates or terms and conditions of service to its customers, other than those occurring in the ordinary course of business; that the Transfer will be transparent and seamless to consumers in Virginia; and that any future changes will be executed with careful planning and implementation in the normal course of business operations.¹²

The Petitioners request that the Commission expeditiously enter an order approving the Petition and the proposed Transfer described therein.¹³ The Petitioners represent that Petitioners are pursuing regulatory approvals diligently in order to close as soon as practicable and that they anticipate closing before the end of 2025.¹⁴

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that it should docket the Petition; that the Petitioners should give notice to the public of their Petition; that interested persons should have an opportunity to comment and request a hearing on the Petition; and that the Staff of the Commission ("Staff") should conduct an investigation of the Petition and present its findings and recommendations in a report ("Staff Report"). Further, a Hearing Examiner should be appointed to rule on all discovery matters that arise during the course of this proceeding, including ruling on any motions for protective rulings and any requests for appearance *pro hac vice*.

¹¹ *Id.* at Exhibit B (Transaction Summary) p. 2.

¹² *Id.*

¹³ *See id.* at 1, 11.

¹⁴ *Id.* at Exhibit B (Transaction Summary) p. 6.

We are sensitive to the Petitioners' request for expedited treatment. This request must be balanced with the Commission's proper consideration of the Petition. Under Code § 56-88.1, the Commission must approve or disapprove this Petition no later than 60 days from the filing date, unless the review period is extended by the Commission for up to an additional 120 days. Given the nature of this request and our directive to notice the Petition, we find that it is appropriate, pursuant to Code § 56-88.1, to extend the review period for this Petition by 60 days. The Commission expects to rule on the Petition expeditiously but finds that additional time is necessary to review the proposed Transfer, provide the appropriate notice, and afford interested persons an opportunity to file comments or request a hearing.

To promote administrative efficiency and timely service of filings upon participants, the Commission will, among other things, direct the electronic filing of testimony and pleadings, unless they contain confidential information, and require electronic service on parties to this proceeding.

Accordingly, IT IS ORDERED THAT:

- (1) This case is docketed and assigned Case No. PUR-2024-00214.
- (2) Pursuant to Code § 56-88.1, the period of time for the review of the issues presented by the Petition is extended 60 days through March 21, 2025.
- (3) All pleadings, briefs, or other documents required to be served in this matter shall be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice and Procedure ("Rules of Practice").¹⁵ Confidential and Extraordinarily Sensitive Information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. Any person seeking to

¹⁵ 5 VAC 5-20-10 *et seq.*

hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.

(4) Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Rules of Practice, the Commission directs that service on parties and Staff in this matter shall be accomplished by electronic means. Concerning Confidential or Extraordinarily Sensitive Information, parties and Staff are instructed to work together to agree upon the manner in which documents containing such information shall be served upon one another, to the extent practicable, in an electronically protected manner, even if such information is unable to be filed in the Office of the Clerk, so that no party or Staff is impeded from preparing its case.

(5) As provided by Code § 12.1-31 and 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Rules of Practice, a Hearing Examiner is appointed to rule on all discovery matters that arise during the course of this proceeding, including ruling on any motions for protective rulings and any requests for appearance *pro hac vice*. A copy of each filing on such motions made with the Commission's Clerk's Office in this matter shall also be sent electronically to the Office of the Hearing Examiners.¹⁶

(6) On or before January 7, 2025, the Petitioners shall complete publication of the following notice to be published on one occasion, as classified advertising, in newspapers having general circulation throughout the Petitioners' Virginia service territory:

¹⁶ Such electronic copies shall be sent to: OHEParalegals@scv.virginia.gov.

NOTICE TO THE PUBLIC OF THE JOINT PETITION OF
VERIZON COMMUNICATIONS INC., AND
FRONTIER COMMUNICATIONS PARENT, INC., *ET AL.*,
FOR APPROVAL OF THE INDIRECT TRANSFER OF
CONTROL OF FRONTIER COMMUNICATIONS OF
VIRGINIA, INC., TO VERIZON COMMUNICATIONS INC.

CASE NO. PUR-2024-00214

On November 21, 2024, Verizon Communications Inc. ("Verizon"), together with Frontier Communications Parent, Inc. ("Frontier Parent"), Frontier Communications Intermediate, LLC, Frontier Communications Holdings, LLC, and Frontier Communications of Virginia, Inc. ("Frontier VA") (collectively, "Frontier" and, jointly with Verizon, "Petitioners"), filed a Joint Petition ("Petition") with the State Corporation Commission ("Commission") pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"), for approval to transfer indirect control of Frontier VA as part of a transaction whereby Verizon will acquire 100% of Frontier Parent and its subsidiaries ("Transfer").

According to the Petition, Frontier VA serves approximately 200 customers in the Crows and Hematite exchange in Allegheny County, Virginia. This area is served from a Frontier host office in West Virginia. The Petitioners state that the proposed Transfer is part of Verizon's larger acquisition of Frontier.

In support of the proposed Transfer, the Petitioners represent that Verizon, through its subsidiaries, is already the incumbent local exchange carrier and provider of local exchange telecommunications services in a large portion of the Commonwealth of Virginia, and that prior to 2010, Verizon provided the local exchange telecommunications service in the area at issue. The Petitioners assert that this demonstrates that Verizon has the financial, managerial, and technical resources necessary to render local exchange service to the customers of Frontier VA. The Petition states that with a market capitalization of approximately \$177 billion, and revenues of approximately \$134 billion and free cash flow of \$18.7 billion in 2023, Verizon has the financial qualifications to undertake control of, and operate, the Frontier companies and assets, including Frontier VA. The Petition states that Verizon, as the former owner of many of the facilities used to serve the area currently served by Frontier

VA, is uniquely familiar with the network, service area, and customers at issue.

The Petitioners state that the proposed Transfer will neither impair nor jeopardize the provision of adequate services to the public at just and reasonable rates. The Petitioners state that Frontier VA will offer services with no change in the rates or terms and conditions of service to its customers, other than those occurring in the ordinary course of business; that the Transfer will be transparent and seamless to consumers in Virginia; and that any future changes will be executed with careful planning and implementation in the normal course of business operations.

Interested persons are encouraged to review the Petition and supporting documents for further details of the Petitioners' proposals.

To promote administrative efficiency and timely service of filings upon participants, the Commission will, among other things, direct the electronic filing of testimony and pleadings, unless they contain confidential information, and require electronic service on parties to this proceeding.

Copies of the Petition may be downloaded from the Commission's website: scc.virginia.gov/pages/Case-Information, or may be obtained by contacting counsel for the Petitioners: Cody T. Murphey, Esquire, Williams Mullen, 200 South 10th Street, Suite 1600, Richmond, Virginia 23219, cmurphey@williamsmullen.com.

On or before January 28, 2025, any interested person may submit comments on the Petition electronically by following the instructions on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments. Those unable, as a practical matter, to submit comments electronically may file such comments by U.S. mail to the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2024-00214.

On or before January 28, 2025, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation with the Clerk of the Commission at: scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file a notice of participation electronically may file such notice by U.S. mail to the Clerk of the Commission at the

address listed above. Such notice of participation shall include the email addresses of such parties or their counsel. The respondent shall serve a copy of the notice of participation on counsel to the Petitioners, any other respondents, and Staff electronically as described above. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.* ("Rules of Practice"), any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2024-00214.

On or before January 28, 2025, any interested person may file a request for a hearing on the Petition with the Clerk of the Commission at scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file electronically may file a request for hearing by U.S. mail to the Clerk of the Commission at the address listed above. Such request for hearing shall include the email addresses of such parties or their counsel, if available. Requests for a hearing shall include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter. All requests for a hearing shall refer to Case No. PUR-2024-00214. Persons filing a request for hearing shall serve a copy of their request on counsel for the Petitioners, any respondents, and Staff electronically as described above.

Any documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, except as modified by the Commission's Order for Notice and Hearing, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

The Petition, the Commission's Rules of Practice, the Commission's Order for Notice and Comment, and other documents filed in this case may be viewed on the Commission's website at: scc.virginia.gov/pages/Case-Information.

VERIZON COMMUNICATIONS INC., AND
FRONTIER COMMUNICATIONS PARENT, INC., ET AL.

(7) On or before January 7, 2025, Petitioners shall serve a copy of this Order for Notice and Comment upon the chairman of the board of supervisors and the county attorney of any county, and upon the mayor or manager (or equivalent officials) and city or town attorney of every city and town, of the service territory of the Petitioners within the Commonwealth of Virginia. Service shall be made either electronically, by personal delivery, or first-class mail to the customary place of business or the residence for such officials.

(8) On or before January 28, 2025, Petitioners shall file with the Commission proof of notice and proof of service as ordered herein.

(9) On or before January 28, 2025, any interested person may submit comments on the Petition by following the instructions found on the Commission's website:

scc.virginia.gov/casecomments/Submit-Public-Comments. Those unable, as a practical matter, to submit comments electronically may file such comments by U.S. mail to the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2024-00214.

(10) On or before January 28, 2025, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation with the Clerk of the Commission at: scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file a notice of participation electronically may file such notice by U.S. mail to the Clerk of the Commission at the address listed in Ordering Paragraph (9). Such notice of participation shall include the email addresses of such parties or their counsel. The respondent shall serve a copy of the notice of participation on counsel to the Petitioners, any other respondents, and Staff electronically as described above. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice, any notice of participation shall set forth: (i) a precise

statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2024-00214.

(11) Within five (5) business days of receipt of a notice of participation as a respondent, the Petitioners shall send each respondent a copy of the Petition, unless these materials already have been provided to the respondent.

(12) On or before January 28, 2025, any interested person may file a request for a hearing with the Clerk of the Commission at scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file electronically may file a request for hearing by U.S. mail to the Clerk of the Commission at the address listed in Ordering Paragraph (9). Such request for hearing shall include the email addresses of such parties or their counsel, if available. Requests for a hearing shall include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter. All requests for a hearing shall refer to Case No. PUR-2024-00214. Persons filing a request for hearing shall serve a copy of the request on counsel for the Petitioners, any respondents, and Staff electronically as described above.

(13) On or before February 4, 2025, the Petitioners shall file a response to any requests for hearing filed in this proceeding. A copy of the response shall be sent to any person who filed a request for hearing, any respondent who filed a notice of participation, and Staff counsel.

(14) Staff shall analyze the Petition and present its findings and recommendations in a Staff Report to be filed on or before February 18, 2025.

(15) On or before February 25, 2025, Petitioners may file with the Clerk of the Commission at scc.virginia.gov/clk/efiling any response to the Staff Report and to any comments filed with the Commission. A copy of the response shall be sent to Staff and to all respondents who filed a notice of participation in this case.

(16) The Commission's Rule of Practice 5 VAC 5-20-260, *Interrogatories to parties or requests for production of documents and things*, shall be modified for this proceeding as follows: responses and objections to written interrogatories and requests for production of documents shall be served within seven (7) calendar days after receipt of the same. In addition to the service requirements of 5 VAC 5-20-260, on the day that copies are filed with the Clerk of the Commission, a copy of the interrogatory or request for production shall be served electronically, or by facsimile, on the party to whom the interrogatory or request for production is directed or the assigned Staff attorney if the interrogatory or request for production is directed to Staff.¹⁷ Except as modified above, discovery shall be in accordance with Part IV of the Commission's Rules of Practice, 5 VAC 5-20-240 *et seq.*

(17) This matter is continued.

A COPY hereof shall be sent electronically by the Clerk of the Commission to all persons on the official Service List in this matter. The Service List is available from the Clerk of the Commission.

¹⁷ The assigned Staff attorney is identified on the Commission's website, scc.virginia.gov/pages/Case-Information, by clicking "Docket Search," then clicking "Search by Case Information," and entering the case number, PUR-2024-00214, in the appropriate box.