



## FACT SHEET: Frontier's Proposed Corporate Reorganization (A.20-05-010)

### TIMELINE OF EVENTS

- On April 14, 2020, Frontier Communications Corporation (Frontier) filed for Chapter 11 bankruptcy in the United States Bankruptcy Court for the Southern District of New York (Bankruptcy Court). Frontier proposes to emerge from bankruptcy by reorganizing its corporate structure among other things. Frontier would like to change the company's ownership to the major financial institutions to whom it owed more than \$17 billion.
- On May 22, 2020, Frontier filed [Application 20-05-010](#) to transfer the control of its California companies: the Incumbent Local Exchange Carriers (ILECs) such as Frontier California, Inc. (U1002C), Citizens Telecommunications Company of California, Inc. (U1024C), and Frontier Communications of the Southwest, Inc. (U1026C); and the long distance carriers such as Frontier Communications Online and Long-Distance Inc. (U7167C) and Frontier Communications of America, Inc. (U5429C).
- On August 25, 2020, the Bankruptcy Court judge confirmed Frontier's reorganization plan.
- On October 7, 2020, the Commission will hold a Public Event to discuss the issues surrounding Frontier's transfer application.

### WHO IS FRONTIER?

- In 1995, the Commission granted Frontier the authority to operate as an ILEC and a carrier of last resort (COLR). As a COLR, Frontier must provide basic phone service on a non-discriminatory basis. Frontier is also a Competitive Local Exchange Carrier (CLC) pursuant to Public Utilities Code Section 1001. In 2002, the Commission granted Frontier the authority to provide interexchange services as a non-dominant interexchange carrier. Frontier also offers interconnected Voice over Internet Protocol (VoIP) services as defined by Public Utilities Code Section 285.<sup>1</sup>
- Frontier is one of the two largest ILECs in California based on geography covering 45 counties. Frontier's telephone service area does not cover these 13 counties: Amador, Butte, Contra Costa, El Dorado, Glenn, Lake, Mariposa, Napa, San Benito, San Francisco, San Mateo, Sierra, and Yuba.
- The largest concentration of Frontier's subscribers of fixed broadband Internet access services is in Southern California (e.g., Los Angeles, Ventura, Orange, Riverside and San Bernardino counties) given Frontier's acquisition of Verizon's assets in 2016.
- Frontier offers phone services, broadband Internet access services, video services, and wholesale services using a combination of fiber optic, copper, and microwave facilities.
- For 12 consecutive years since 2008, consumers from Los Angeles, Riverside and San Bernardino counties predominantly comprise the complaints fielded by the Commission's Consumer Affairs Branch regarding Frontier.
- Between January 1, 2015 and June 25, 2020, the Commission's Consumer Affairs Branch received a total of 11,805 complaints about Frontier for issues about billing, service and related to VoIP services. Consumers expressed their concerns about experiencing service outages, poor call quality of service, and Frontier missing service appointments or delaying service orders.

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<sup>1</sup> In November 2017, Frontier Communications of America Inc. registered as an Interconnected VoIP service provider and was assigned utility number U-1548-C.



## KEY ISSUES TO CONSIDER FOR THE PUBLIC'S INPUT

- What impact will this corporate reorganization have on Frontier's service quality performance?
- What impact will this corporate reorganization have on public purpose programs? Should the public purpose programs continue to fund Frontier considering their ongoing issues?
- What is the impact on unfulfilled commitments? Will Frontier fulfill its commitments resulting from its acquisition of Verizon's assets in 2016?
- What impact will this corporate reorganization have on low-income households?
- What is the impact on rural communities?
- What is the impact on rates of services? Will they increase or decrease due to the corporate reorganization?
- What is the impact on terms and conditions of services? Will they improve or worsen due to the corporate reorganization?
- What is the impact on Frontier's obligation as a carrier of last resort? Will Frontier continue to offer basic service?
- What is the impact on the company's employees due to the corporate reorganization?

## RESOURCES TO LEARN MORE INFORMATION

More information about Frontier and the proceeding evaluating Frontier's request to change ownership can be found at :  
<https://www.cpuc.ca.gov/General.aspx?id=6442465774>