Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)
	)
AT&T Inc.	)
	)
and	)
	)
Frontier Communications Corporation	)
	)
Applications For Consent to Transfer of Control of Domestic and International Authorizations Pursuant to Section 214 of the Communications Act of 1934, As Amended, and Associated Wireless Licenses	)))))

CONSOLIDATED APPLICATION FOR THE TRANSFER OF CONTROL OF INTERNATIONAL AND DOMESTIC SECTION 214 AUTHORITY

Pursuant to Section 214 of the Communications Act of 1934, as amended ("the Act"),[1] and Sections 63.04, 63.18 and 63.24 of the Commission's rules,[2] AT&T Inc. ("AT&T" or "Transferor") and Frontier Communications Corporation ("Frontier" or "Transferee") (collectively "Applicants") request Commission consent to transfer control of certain international and domestic Section 214 authority held by AT&T's wholly-owned subsidiaries The Southern New England Telephone Company ("SNET") and SNET America, Inc. ("SNET America" and together with SNET, the "Transferred Companies") to Frontier. Such authority is necessary to effect the transfer to Frontier of AT&T's local wireline operations in Connecticut and certain long distance customers in other states. The proposed transaction will benefit residential and business customers in Connecticut, who will be a focus of Frontier's efforts to

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[1] 47 U.S.C. § 214.

[2] 47 C.F.R. §§ 63.04, 63.18, and 63.24.

provide world-class communications services and service quality. The transaction will also strengthen Frontier's ability to serve all of its customers nationwide, in the provision of broadband as well as other wireline services.

Specifically, the proposed transaction includes the transfer of: (1) certain assets and customer relationships related to SNET's provision of local exchange and exchange access services to residential, small-business, and some enterprise customers in Connecticut, and (2) certain customer relationships relating to SNET America's provision of interstate domestic and U.S.-international long distance service and calling card service.

Simultaneously with the closing of the proposed transaction, (i) AT&T will transfer to the Transferred Companies certain assets and cause the Transferred Companies to assume certain liabilities relating to the business to be acquired and (ii) the Transferred Companies will transfer to AT&T certain assets, and AT&T will assume certain liabilities of the Transferred Companies, to be retained by AT&T following the closing (the Transferred Companies, taking into account such transactions, being referred to as the "Transferred Business"). Upon closing, Frontier will acquire the Transferred Companies and the Transferred Business. The transaction is discussed in more detail in Exhibit 1 to this Application. Consistent with Section 63.04(b) and Commission practice, the Applicants have consolidated their request for Commission consent to the transaction into a single lead application, and are submitting separate filings for each affected authorization. Specifically, the Applicants seek consent to the following transfers of control:

1. The transfer of control of SNET's blanket domestic Section 214 operating authority.
2. The transfer of control of SNET America's blanket domestic and international Section 214 operating authority (File Nos. ITC-214-19930716-00119, ITC-214-

19950215-00064, and ITC-214-19960223-00083 (as modified by ITC-MOD-20041129-00487[3])).

3. The transfer of control of two wireless radio licenses held by SNET.[4]

Electronic IBFS and paper domestic Section 214 applications, and a FCC Form 603 application, as needed for each of these licensees are being filed concurrently. This narrative provides the information required by the International Section 214 Main Form and Sections 63.04 and 63.18 of the Commission's rules. Additionally, attached as Exhibit 1 is a statement demonstrating that the transaction is in the public interest, including a description of the parties and of the proposed transaction.

I. RESPONSE TO ITEMS ON INTERNATIONAL SECTION 214 MAIN FORM

A. Answer To Question 10 – Section 63.18(c)-(d)

AT&T, a Delaware corporation, and its subsidiaries hold various international Section 214 authorizations. Its wholly-owned subsidiary SNET America, a Delaware corporation, holds three international Section 214 authorizations (File Nos. ITC-214-19930716-00119 (resell switched telecommunications services from the United States to international points), ITC-214-19950215-00064 (Global or Limited Global Resale Service) and ITC-214-19960223-00083 (as modified by ITC-MOD-20041129-00487) (Individual Switched Resale Service)).

Frontier is the transferee for all Applications included in this transaction. The address and telephone number for all of these entities post-transaction will be:

Frontier Communications Corporation
3 High Ridge Park
Stamford, CT 06905

[3] The transfer of control of File No. ITC-MOD-20041129-00487 should be considered a "partial" transfer of control that does not impact the operating authority of any entities that may be covered by the Section 214 modification other than SNET America.

[4] SNET is the licensee of a Common Carrier Fixed Point-to-Point Microwave license (KCB95) and an Industrial/Business Pool, Conventional license (WNJN897).

203-614-5600

Frontier is a Delaware corporation. Frontier does not hold any international Section 214 authorizations, but directly or indirectly controls subsidiaries that hold international 214 authorizations to provide international facilities-based and/or resold services.[5]

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[5] The Frontier subsidiaries that hold international Section 214 authorizations are: Frontier Communications of America, Inc. (ITC-214-19971202-00753); Commonwealth Telephone Enterprises, Inc. (ITC-214-19960726-00343); GVN Services (ITC-214-20020225-00113); Frontier Communications Online and Long Distance Inc. (ITC-214-20090528-00565); Frontier Communications of the Southwest Inc. (ITC-214-20090528-00563); Frontier Communications of the Carolinas LLC (ITC-214-20090528-00564); Frontier Mid-States Inc. (ITC-214-20080219-00081); Citizens Telecommunications Company of California Inc. (ITC-214-20080219-00078); Frontier West Virginia Inc. (ITC-214-20080219-00071); Frontier North Inc. (ITC-214-20080219-00082); and Frontier Communications Northwest Inc. (ITC-214-20080219-00079).

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B. Answer To Question 11 – Section 63.18(h)

Following consummation of the proposed transaction, SNET and SNET America will be wholly-owned direct subsidiaries of Frontier. No person or entity holds a direct or indirect 10 percent or greater ownership interest in Frontier.

C. Answer To Question 13 – Narrative Of Transfer Of Control And Public Interest Statement

A description of the transaction and demonstration of how the transaction is in the public interest is attached as Exhibit 1.

D. Answer To Question 20 – Section 63.12

The Applicants do not request streamlined treatment of the Applications because they will be reviewed as part of a larger transaction that is not subject to streamlined treatment.

E. Answer To Question 21 – Section 63.18(n)

Frontier certifies that it has not agreed to accept special concessions directly or indirectly from a foreign carrier with respect to any U.S. international route where the foreign carrier possesses sufficient market power on the foreign end of the route to affect competition adversely in the U.S. market and will not enter into any such agreements in the future.

F. Answer To Question 22 – Section 63.24(e)

The Applicants certify that the authorizations will not be assigned or that control of the authorizations will not be transferred until the consent of the Commission has been given. Frontier also acknowledges that the Commission must be notified by letter within 30 days of a consummation or of a decision not to consummate the transaction.

G. Answer To Question 25 – Section 63.18(o)

The Applicants certify that no party to the Application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862, because of a conviction for possession or distribution of a controlled substance.

II. INFORMATION REQUIRED BY SECTION 63.04 OF THE COMMISSION’S RULES IN RELATION TO TRANSFER OF BLANKET DOMESTIC 214 AUTHORITY

In support of the Applicants’ request for consent to transfer control of certain assets and customer relationships related to the provision of local exchange and exchange access services in Connecticut, as well as certain long distance and calling card customer relationships, to Frontier, the following information is submitted pursuant to Section 63.04 of the Commission's rules.[6] Specifically, Section 63.04(b) provides that applicants submitting a joint domestic/international Section 214 application should include the information requested in paragraphs (a)(6) through (a)(12) of Section 63.04.

Section 63.04(a)(6) – Description of the transaction:

A description of the transaction and demonstration of how the transaction is in the public interest is attached as Exhibit 1.

Section 63.04(a)(7) – Description of the geographic area in which the transferor and transferee offer domestic telecommunications services, and what services are provided in each area:

A description of the geographic area in which the Transferor and Transferee offer domestic telecommunications services, and a description of the services provided, is contained in Exhibit 1.

Section 63.04(a)(8) – Statement as to how the Application qualifies for streamlined treatment:

The Applicants do not request streamlined treatment of the Applications because they will be reviewed as part of a larger transaction that is not subject to streamlined treatment.

Section 63.04(a)(9) – Identification of all other Commission applications related to this transaction:

The Commission Applications related to this transaction are identified on pages 2-3 of this narrative.

Section 63.04(a)(10) – Statement of whether the applicants request special consideration because either party is facing imminent business failure:

The Applicants do not request special consideration because no parties to this transaction are facing imminent business failure.

[6] 47 C.F.R. § 63.04.

Section 63.04(a)(11) – Identification of any separately filed waiver requests being sought in conjunction with this application:

No separately filed waiver requests are sought in conjunction with this Application.

Section 63.04(a)(12) – Statement showing how grant of the Application will serve the public interest, convenience and necessity:

A demonstration of how the transaction is in the public interest is attached as Exhibit 1.

III. CONCLUSION

For the reasons stated above and in Exhibit 1, the Applicants respectfully request that the Commission grant these Applications for consent to transfer control of SNET and SNET America under Section 214 of the Act, and associated radio licenses, to Frontier.

Respectfully submitted,

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Dated: January 31, 2014

EXHIBIT 1 TO APPLICATION

Description of the Parties
Description of the Transaction
Public Interest Statement
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I. INTRODUCTION

Frontier Communications Corporation ("Frontier") and AT&T Inc. ("AT&T") (collectively the "Applicants") hereby request Commission consent under Sections 214 and 310 of the Communications Act of 1934, as amended (the "Act"),[1] to transfer control of the FCC authorizations and licenses of The Southern New England Telephone Company ("SNET") and SNET America, Inc. ("SNET America")[2] from AT&T to Frontier. These include domestic and international Section 214 authorizations and certain radio licenses held by SNET and/or SNET America. Such consent is necessary to effect the transfer to Frontier of SNET's local wireline operations serving residential, small-business, and some enterprise customers in Connecticut, and SNET America's related long distance and calling card operations. Frontier will also acquire AT&T's broadband and video operations in Connecticut as part of the transaction.

The proposed transaction unequivocally advances the public interest. With this transaction, residential and business customers in Connecticut – where Frontier has been headquartered for more than 65 years – will become a key focus of Frontier's efforts to provide world-class customer service and service quality, through intense local engagement.

Frontier is a wireline communications company that historically has been dedicated primarily to serving smaller cities and rural areas, where it has a proven track record of success. Following the 2010 acquisition of properties from Verizon, Frontier grew by two thirds and expanded beyond its traditional rural footprint to encompass larger cities and suburbs of major metropolitan areas. With the Connecticut transaction, Frontier will build on its prior success, expand its footprint and emerge as a stronger multistate competitor serving a broader area,

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[1] 47 U.S.C. §§ 214, 310.

[2] The domestic and international FCC authorizations and wireless licenses being transferred are listed in Attachment A.

generating substantial public interest benefits for all of its end users, in addition to consumers in Connecticut. Expanding Frontier's operations to Connecticut, a single contiguous service area with about 900,000 voice connections, will strengthen Frontier's nationwide position by creating increased economies of scale and scope, thus enabling more efficient operations throughout its service areas.

Just as significantly, the transaction will strengthen Frontier as a broadband competitor. Frontier anticipates that once fully implemented, the transaction will yield efficiencies in the form of annual operating expense savings of $200 million from the consolidation of various administrative functions and systems and lower prices on capital expenditures as a result of Frontier's greater purchasing power. This stronger financial structure and increased cash flow will facilitate more significant investments in Frontier's service areas, including in broadband infrastructure, thus ensuring the presence of a strong, stable competitor across Frontier's service territory.

Moreover, this transaction will be seamless for retail and wholesale customers. The SNET and SNET America legal entities will remain. Existing retail and wholesale customers will continue to receive substantially the same services on the same terms and conditions under their existing contracts and tariffs. Interconnection agreements and collective bargaining agreements also will not change as a result of the transaction. Where another AT&T entity has contracted on behalf of SNET or SNET America and in the case of tariffs or contracts that cover other AT&T entities as well as SNET or SNET America, Frontier and AT&T have agreed to work in good faith to separate the portion of the shared contract or tariff that applies to SNET or SNET America, and Frontier has agreed to honor and assume AT&T's obligations and rights under that portion of the contract or tariff. In addition, SNET will continue to comply with all of the statutory obligations applicable to ILECs under Sections 251 and 252 of the Act.[3]

Frontier will transition the SNET and SNET America operations to its existing billing and operations support systems ("OSS") post closing, negating the need to build new systems from scratch and avoiding a lengthy transition period for consumers. Frontier has a strong record of successfully integrating operations and customers from other acquisitions, including 4 million connections previously acquired from Verizon in 2010. In this case, the parties have agreed to plan for and test the data transfer and integration process prior to conversion to ensure it occurs smoothly and seamlessly. Thus, customers need not be concerned that their service will be disrupted or otherwise adversely affected.

Even as the proposed transaction generates these substantial benefits, it will not result in any competitive harm and will actually strengthen competition in Connecticut. Frontier has no current incumbent local exchange carrier ("ILEC") or competitive local exchange carrier ("CLEC") operations in Connecticut. None of the local exchanges that Frontier is acquiring from AT&T overlaps with, or is adjacent to, any of the local exchanges already served by Frontier. Frontier and AT&T do not currently compete for customers in any of the affected exchanges. The transaction will not reduce the number of competitors in any region.[4] To the contrary, post transaction, Frontier and AT&T will be competing with each other in Connecticut for both consumer and business customers.

In sum, the proposed transaction will bring significant public interest benefits and will not cause competitive harm. The Commission should approve the transaction.

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[3] 47 U.S.C. §§ 251, 252.

[4] As a part of the proposed transaction, Frontier will gain a limited number of SNET America's long distance customers, and calling card customers. Because AT&T and others will continue to provide long distance services post-closing, the proposed transaction will not affect competition.

II. DESCRIPTION OF THE PARTIES

As described below, in this transaction Frontier plans to purchase from AT&T the stock of SNET, the AT&T wireline subsidiary serving Connecticut,[5] and SNET's long distance and calling card affiliate, SNET America.[6]

A. FRONTIER

Frontier, a publicly traded corporation, is a full-service wireline communications provider. Frontier provides an array of telecommunications and broadband services, including local and long distance voice, broadband data, and video, through its wholly-owned operating companies. Frontier currently serves approximately 3.1 million customers and has 1.8 million broadband customers in 27 states,[7] in predominantly rural areas and smaller cities.[8] Frontier has maintained its headquarters in Connecticut since 1946, and the company is an integral part of the Connecticut community.[9] No individual or company owns or controls ten percent or more of Frontier's stock.

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[5] SNET's local exchange service area covers all of Connecticut except for two exchanges served by Verizon in the far southwest corner of the state that are not involved in this transaction.

[6] SNET America has a *de minimis* number of long distance customers in California, Delaware, the District of Columbia, Florida, Georgia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Utah, Virginia, Washington, and West Virginia. SNET America also provides calling cards, which can be used for both long distance and local calling.

[7] Frontier's current service territories are located in Alabama, Arizona, California, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Michigan, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Mexico, New York, North Carolina, Ohio, Oregon, Pennsylvania, South Carolina, Tennessee, Utah, Washington, West Virginia, and Wisconsin.

[8] As examples of small cities, Frontier serves Elk Grove, California, one of Sacramento's fastest-growing suburbs, and Burnsville, Minnesota and nearby towns in the Minneapolis suburbs. Frontier's largest city served is Rochester, New York, and its suburbs.

[9] *See, e.g.*, Press Release, Frontier, *Frontier Communications to Participate in Conn. Run for the Fallen and Honor and Remember Event* (Sept. 19, 2013), available at http://investor.frontier.com/releasedetail.cfm?ReleaseID=791783; *Frontier Communications is*

Frontier has a proven, successful track record of acquiring, operating, and investing in telecommunications properties. Most recently, Frontier successfully integrated customers and operations spanning 4 million voice connections in 14 states after the 2010 acquisition of multiple Verizon local exchange territories. Indeed, Frontier has extensive experience – and extensive success – in converting existing OSS and billing systems to Frontier's platform.

As an experienced provider of telecommunications and broadband services, Frontier has long-established relationships with peers, partners, suppliers, regulators, and customers. Frontier's work force is 100 percent U.S.-based.

Committed to innovation and expanded deployment and uptake of broadband, Frontier has launched new products such as the award-winning Frontier Secure security product,[10] and has launched a trial in three areas of Pay-As-You-Go Internet, a new offering that brings Frontier high-speed Internet to customers in a prepaid format. Frontier offers a wide range of data services, including consumer broadband utilizing fiber-to-the-home and fiber-to-the-node architectures and business Ethernet products. Customer growth and improved service have been the focus of Frontier's operations, and the proposed transaction will enable Frontier to extend and expand access to innovative products and high quality customer service.

B. AT&T

AT&T, the transferor, is a leading provider of wireless, Wi-Fi, high-speed Internet, local and long distance voice, mobile broadband, and advanced TV services, as well as worldwide wireless coverage and IP-based business communications services.

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focused on Memorial Day, available at http://frontier.com/careers/military-careers/frontier-communications-is-focused-on-memorial-day (last visited Jan. 27, 2014).

[10] *See* Press Release, Frontier, *Frontier Communications' Frontier Secure Wins F-Secure Excellence Award* (May 13, 2013), available at http://investor.frontier.com/releasedetail.cfm?ReleaseID=764237.

C. QUALIFICATIONS

The Commission has previously concluded that Frontier has the qualifications required by the Act to control Commission licenses and authorizations,[11] and nothing has changed to alter this conclusion. The Commission also has concluded repeatedly that AT&T has the qualifications required by the Act to control Commission authorizations,[12] and nothing has changed to disturb this conclusion.

III. DESCRIPTION OF THE TRANSACTION

On December 16, 2013, Frontier and AT&T entered into a Stock Purchase Agreement (the "Agreement"). Under the Agreement, simultaneous with the closing of the transaction, (i) AT&T will transfer to SNET and SNET America (the "Transferred Companies") certain assets and cause the Transferred Companies to assume certain liabilities relating to the business to be acquired and (ii) the Transferred Companies will transfer to AT&T certain assets, and AT&T will assume certain liabilities of the Transferred Companies, to be retained by AT&T following the closing (the Transferred Companies, taking into account such transactions, being referred to

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[11] *See, e.g., Applications Filed by Frontier Commc'ns Corp. and Verizon Commc'ns Inc. for Assignment or Transfer of Control*, Memorandum Opinion and Order, 25 FCC Rcd 5972, 5979, 5981-83 ¶¶ 13-14, 21-25 (2010) ("*Frontier-Verizon Order*").

[12] *See, e.g., Applications of AT&T Inc. and Atlantic Tele-Network, Inc., for Consent to Transfer Control of and Assign Licenses and Authorizations*, WT Dkt No. 13-54, Memorandum Opinion and Order, DA 13-1940, ¶ 17 (WTB rel. Sept. 20, 2013); *Applications of AT&T Inc., Cellco Partnership d/b/a Verizon Wireless, Grain Spectrum, LLC, and Grain Spectrum II, LLC, for Consent to Assign and Lease AWS-1 and Lower 700 MHz Licenses*, WT Dkt No. 13-56, Memorandum Opinion and Order, DA 13-1854, ¶ 17 (WTB rel. Sept. 3, 2013); *Application of AT&T Inc. and Qualcomm Inc. for Consent to Assign Licenses and Authorizations*, Order, 26 FCC Rcd 17589, 17601 ¶ 28 (2011); *Applications of AT&T Inc. and Cellco P'ship d/b/a Verizon Wireless for Consent to Assign or Transfer Control of Licenses and Authorizations and Modify a Spectrum Leasing Arrangement*, Memorandum Opinion and Order, 25 FCC Rcd 8704, 8720 ¶ 29 (2010); *Applications of AT&T Inc. and Centennial Commc'ns Corp. for Consent to Transfer Control of Licenses, Authorizations and Spectrum Leasing Arrangements*, Memorandum Opinion and Order, 24 FCC Rcd 13915, 13931 ¶ 33 (2009).

as the "Transferred Business"). At closing, Frontier will pay $2 billion in cash for the stock of SNET and SNET America, and the Transferred Companies will have no debt.

The transaction will transfer ownership of SNET and its incumbent local exchange, retail broadband, and video businesses in Connecticut from AT&T to Frontier. These operations include approximately 900,000 access line customers (about 60 percent of which are residential switched and VoIP customers and about 40 percent of which are business customers); approximately 415,000 broadband customers, and approximately 180,000 video customers in Connecticut. The transaction also will transfer to Frontier ownership of SNET America. SNET America provides interexchange and international calling and calling card services.[13]

Upon completion of the transaction, SNET and SNET America will become wholly-owned subsidiaries of Frontier. Current Frontier management will manage and control the day-to-day operations of Frontier and its operating subsidiaries, including the Transferred Companies and Transferred Business, as well as Frontier's current businesses.

The transaction does not include the other AT&T operations in Connecticut, such as those of AT&T Mobility and AT&T Corp. AT&T Mobility will continue to provide wireless service in Connecticut, and AT&T Corp. will continue to serve enterprise customers in the state. In essence, upon completion of this transaction, the wireline operations in Connecticut of AT&T Corp. that predate its 2005 merger with SBC Communications, Inc. will remain with AT&T.[14] Thus, the majority of AT&T's existing enterprise wireline customers in Connecticut and AT&T's CLEC operations in Connecticut (which are not part of SNET or SNET America) will

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[13] The Applicants will comply with any applicable anti-slamming requirements in the Commission's rules that arise from the transaction. *See* 47 C.F.R. § 64.1100 *et seq.*

[14] *See SBC Commc'ns Inc. and AT&T Corp. Applications for Approval of Transfer of Control*, Memorandum Opinion and Order, 20 FCC Rcd 18290 (2005) ("*SBC-AT&T Order*").

remain with AT&T.[15] Frontier therefore will compete with the wireless, enterprise and CLEC operations that AT&T will retain in Connecticut, enhancing the competitive landscape in the state.

A corporate organizational chart depicting the proposed transaction is attached as Attachment B.

IV. PUBLIC INTEREST STATEMENT

This transaction will generate substantial public interest benefits in Connecticut and across Frontier's service areas, with no countervailing harms, and therefore warrants approval. Section 214(a) and 310(d) of the Act require the Commission to determine whether the proposed transfers of control and assignment of Commission licenses and authorizations are consistent with the public interest, convenience, and necessity.[16]

The proposed transaction fully satisfies the public interest standard. The Commission considers four questions in making its public interest assessment: "(1) whether the transaction would result in the violation of the Act or any other applicable statutory provision; (2) whether the transaction would result in a violation of Commission rules; (3) whether the transaction

[15] To facilitate the orderly division and provision of services, a limited quantity of assets will be exchanged between SNET and non-transferring AT&T entities.

[16] *See, e.g., Frontier-Verizon Order*, 25 FCC Rcd at 5976-77 ¶ 9; *Applications for Consent to the Assignment and/or Transfer of Control of Licenses Time Warner Inc. to Time Warner Cable, Inc.*, Memorandum Opinion and Order, 24 FCC Rcd 879, 884-85 ¶ 10 (2009); *SBC-AT&T Order*, 20 FCC Rcd at 18300-01 ¶ 16; *Verizon Commc'ns Inc. and MCI, Inc. Applications for Approval of Transfer of Control,* Memorandum Opinion and Order, 20 FCC Rcd 18433, 18442-43 ¶ 16 (2005) ("*Verizon-MCI Order*"); *Applications of Nextel Commc'ns, Inc. and Sprint Corp. For Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 20 FCC Rcd 13967, 13976-77 ¶ 20 (2005) ("*Sprint-Nextel Order*"); *Applications of AT&T Wireless Services, Inc. and Cingular Wireless Corp. For Consent to Transfer Control of Licenses and Authorizations,* Memorandum Opinion and Order, 19 FCC Rcd 21522, 21542-44 ¶ 40 (2004) ("*AT&T-Cingular Order*"); *General Motors Corp. and Hughes Electronics Corp. and The News Corp. Ltd. for Authority to Transfer Control*, Memorandum Opinion and Order, 19 FCC Rcd 473, 483 ¶ 15 (2004).

would substantially frustrate or impair the Commission's implementation or enforcement of the Act or interfere with the objectives of that and other statutes; and (4) whether the transaction promises to yield affirmative public interest benefits."[17]

As demonstrated below, the proposed transaction satisfies all four prongs of the Commission's test. With regard to the first two prongs of the Commission's test, the Application and accompanying materials show that this transaction does not violate any provision of the Act or any Commission rule. In assessing the latter two prongs of this test, the Commission considers whether a proposed transaction could result in public interest harms by determining whether it would "substantially frustrate or impair" the objectives or implementation of the Act or related statutes.[18] It then "employs a balancing test weighing any potential public interest harms of a proposed transaction against any potential public interest benefits to ensure that, on balance, the proposed transaction will serve the public interest."[19] Here again, the latter two

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[17] *See SBC Commc'ns Inc. and BellSouth Corp. for Consent to Transfer of Control or Assignment of Licenses and Authorizations,* Memorandum Opinion and Order, 15 FCC Rcd 25459, 25464 ¶ 13 (WTB/IB 2000); *Ameritech Corp. and SBC Commc'ns Inc.,* Memorandum Opinion and Order, 14 FCC Rcd 14712, 14737-38 ¶ 48 (1999); *see, e.g., Frontier-Verizon Order*, 25 FCC Rcd at 5976-77 ¶ 9; *Applications filed by Qwest Commc'ns Int'l Inc. and CenturyTel, Inc. d/b/a CenturyLink For Consent to Transfer of Control*, Memorandum Opinion and Order, 26 FCC Rcd 4194, 4198-99, ¶ 7 (2011) ("*Qwest-CenturyLink Order*"); *SBC-AT&T Order*, 20 FCC Rcd at 18300-01 ¶ 16.

[18] *See, e.g., Qwest-CenturyLink Order*, 26 FCC Rcd at 4198-99 ¶ 7; *Frontier-Verizon Order,* 25 FCC Rcd at 5976-77 ¶ 9; *Applications of Midwest Wireless Holdings, L.L.C. and ALLTEL Commc'ns, Inc. For Consent to Transfer Control of Licenses and Authorizations,* Memorandum Opinion and Order, 21 FCC Rcd 11526, 11535 ¶ 16 (2006) ("*ALLTEL-Midwest Order*"); *SBC-AT&T Order,* 20 FCC Rcd at 18300-01 ¶ 16; *Verizon-MCI Order,* 20 FCC Rcd at 18442-43 ¶ 16; *Sprint-Nextel Order,* 20 FCC Rcd at 13976-77 ¶ 20.

[19] *See ALLTEL-Midwest Order,* 21 FCC Rcd at 11535 ¶ 16; *see, e.g., Frontier-Verizon Order,* 25 FCC Rcd at 5976-77 ¶ 9; *Qwest-CenturyLink Order*, 26 FCC Rcd at 4198-99 ¶ 7; *Applications of Nextel Partners, Inc., Nextel WIP Corp. and Sprint Nextel Corp., For Consent To Transfer Control of Licenses and Authorizations,* Memorandum Opinion and Order, 21 FCC Rcd 7358, 7360 ¶ 7 (2006); *SBC-AT&T Order*, 20 FCC Rcd at 18300-01 ¶ 16; *Verizon-MCI Order,* 20 FCC Rcd at 18442-43 ¶ 16; *Sprint-Nextel Order,* 20 FCC Rcd at 13976-77 ¶ 20; *Applications of Western Wireless Corp. and ALLTEL Corp. For Consent to Transfer Control of Licenses and*

prongs of the test are met, as the proposed transaction will yield substantial public interest benefits and result in no material harms – and in particular no competitive harms – thus amply demonstrating that the proposed transaction serves the public interest.

A. THE TRANSACTION WILL GENERATE SUBSTANTIAL PUBLIC INTEREST BENEFITS.

1. THE TRANSACTION WILL RESULT IN IMPROVED SERVICE TO CONNECTICUT CUSTOMERS.

The transaction will enhance service to customers in Connecticut. Frontier has long followed a policy of intensive local engagement[20] in its operating territories, and will apply this practice in Connecticut. Indeed, Frontier already has very strong roots in the state. As noted above, Frontier has made its headquarters in Connecticut for over 65 years. Approximately 200 employees already work at Frontier's headquarters in Stamford, and Frontier plans to keep its headquarters in Connecticut for the foreseeable future. Frontier is committed to improving service in its home state and expanding its engagement throughout the state's communities.

Connecticut customers also will benefit from the enhanced competition that will result from this transaction. As noted, after the transaction is completed, AT&T will retain all of its wireless operations as well as some CLEC operations in the state and, in particular, will continue to serve some large enterprise customers. Customers in the state thus will benefit from the competition resulting from the presence of both Frontier and AT&T. As the Commission has

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Authorizations, Memorandum Opinion and Order, 20 FCC Rcd 13053, 13062-63 ¶ 17 (2005); *AT&T- Cingular Order,* 19 FCC Rcd at 21542-44 ¶ 40.

[20] Under Frontier's "local engagement" management model, Frontier employees in Connecticut will live locally and provide high-quality service to their friends and neighbors, while being actively involved in their communities. Frontier's operations in Connecticut will be led by local general managers and a state leader.

long recognized, competition facilitates improved service, more choices, new products, and lower prices.[21]

Upon completion of the transaction, Connecticut will be the largest of Frontier's service territories. As such, Connecticut will be a focal point of Frontier's competitive business and customer strategy. Frontier will focus on customer service and service quality, disaster preparedness, and a smooth transition for retail and wholesale customers in Connecticut.

Customer service is a vital part of Frontier's business plan and strategy, and the company has a strong record on overall customer retention and satisfaction. Its local engagement approach includes the use of local general managers and innovative marketing programs, allowing the company to remain flexible and focus on the unique characteristics and needs of, and bring a wide range of products and services to, residential and commercial customers in each community. Thus, customers benefit from the advantages of service from a large company while retaining the close working relationships of a small company. The local general managers engage with their communities, determine where and how to deploy resources during natural disasters, engage with community leaders on issues of interest to the local population, and provide a local contact for customers.

Frontier also has a proven track record of improving customer service in its acquired service areas. Indeed, an operational priority for Frontier in Connecticut will be to maintain and

[21] *See, e.g., Applications for Consent to the Transfer of Control of Licenses and Section 214 Authorizations by Time Warner Inc. and America Online, Inc. to AOL Time Warner, Inc.*, Memorandum Opinion and Order, 18 FCC Rcd 16835, 16839-40 ¶ 12 (2003) ("The Commission has continually recognized competition as an important policy objective for communications services, bringing consumer benefits of increased choice, lower prices, improved service, and new product offerings."); *Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993: Annual Report and Analysis of Competitive Market Conditions With Respect to Commercial Mobile Services*, Eighth Report, 18 FCC Rcd 14783, 14792 ¶ 13 (2003) (enhanced competition benefits consumers by "increasing customer choice, offering innovative services, and introducing new technologies").

improve service quality. Frontier will maintain and continue to invest in existing facilities and operations in Connecticut to ensure that improved speeds and capacity are delivered to customers across the state at reasonable prices. Frontier sells broadband services at highly competitive prices, without requiring customers to sign annual contracts – its basic level broadband service (usually 6 Mbps) is $29.99 per month, and $19.99 per month when bundled with voice service. Customers can easily upgrade to a higher speed tier for only an additional $10 per month.

As further discussed below, full conversion of AT&T's Connecticut operations onto Frontier's existing systems and networks is planned post closing. Frontier has successfully completed numerous complex system and network migrations. Frontier’s most recent conversion, after its 2010 transaction with Verizon,[22] covered operations across 14 states and was completed approximately one year ahead of schedule. Frontier expects to invest more than $225 million into the integration process to ensure a seamless transition of the Transferred Business.

2. THE TRANSACTION WILL BETTER POSITION FRONTIER AS A STRONGER SERVICE PROVIDER AND NATIONAL COMPETITOR, WITH COMMENSURATE BENEFITS TO ITS EXISTING AND FUTURE CUSTOMERS.

The proposed transaction will enhance Frontier’s ability to serve customers in all 28 states in which it will operate as an ILEC after the merger. Frontier’s predominant business focus is delivering high quality wireline broadband services over its own networks in rural America and in smaller cities. Connecticut’s urban, suburban and rural markets will complement Frontier’s existing diverse mix of markets, and post-transaction the company will continue to be the largest U.S. carrier serving predominantly rural and smaller city areas. Frontier is committed to improving the customer experience across all service areas.

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[22] *See Frontier-Verizon Order*, 25 FCC Rcd 5972.

This acquisition will result in a larger and more robust carrier, thus ensuring over the long term that Frontier will have the financial capability to increase broadband investment and penetration, provide better service, and become a stronger competitor throughout its service areas. The transaction will improve Frontier's overall financial flexibility and stability by promoting its policy of providing stable dividends to shareholders and by being accretive to free cash flow in the first year after closing. The transaction also will limit Frontier's debt leverage. Once the transaction closes, Frontier's net debt to EBITDA ratio is expected to increase by only 0.4 percent, and that ratio is expected to fall below its current rate as ongoing synergies are achieved.[23] When the proposed transaction is fully implemented, Frontier expects to realize annual operating expense savings of $200 million. The Commission has long recognized that these types of efficiencies are public interest benefits.[24] Here, these savings will be accomplished by consolidating various administrative and procurement functions, network monitoring and information support systems, and finance and accounting processes, reducing corporate overhead, and increasing the company's overall purchasing power and economies of scale.[25] Frontier has a proven track record of achieving such synergies. Indeed, the 2010

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[23] EBITDA is earnings before interest, taxes, depreciation and amortization.

[24] *See, e.g.*, *Frontier-Verizon Order*, 25 FCC Rcd at 5995 ¶ 57; *AT&T Inc. and BellSouth Corp. Application for Transfer of Control*, Memorandum Opinion and Order, 22 FCC Rcd 5662, 5768-70 ¶¶ 214-215 (2007) (crediting economies of scope and scale and cost synergies as public interest benefits); *Joint Applications of Telephone and Data Systems, Inc. and Chorus Commc'ns, Ltd. For Authority to Transfer Control of Commission Licenses and Authorizations Pursuant to Sections 214 and 310(d) of the Communications Act and Parts 22, 63 and 90 of the Commission's Rules*, Memorandum Opinion and Order, 16 FCC Rcd 15293, 15299 ¶ 11 (CCB/WTB 2001) (citing "economic and operational efficiencies" as supporting a finding that transaction was in the public interest).

[25] Frontier estimates that integrating the Transferred Business should upon closing create savings of $75 million, with an additional $125 million of cost savings within three years.

Verizon transaction exceeded the planned $500 million operating savings, as Frontier in fact achieved 130 percent of its projected cost reductions.

The savings will further strengthen Frontier's ability to provide services to consumers throughout its service areas and add to Frontier's financial strength to support its broadband network investment plans. Frontier's broadband offering speeds continue to increase, with broadband speeds of 20 Mbps or more available to 45 percent of households in its existing service areas, and broadband speeds of 12 Mbps being available to almost 60 percent of those households.

B. THE TRANSACTION WILL INCREASE AND NOT REDUCE COMPETITION OR HARM RETAIL OR WHOLESALE CUSTOMERS.

In addition to the public interest benefits discussed above, the transaction will neither reduce competition nor create billing or service disruptions or otherwise harm existing customers.

1. THE TRANSACTION WILL INCREASE COMPETITION.

The transaction will actually increase the number of competitors in Connecticut. None of the local exchanges being acquired by Frontier in this transaction overlap with or are adjacent to any of the local exchanges already served by Frontier. Indeed, Frontier has no current ILEC or CLEC operations in Connecticut. Therefore, Frontier and SNET do not compete for customers in any of the affected exchanges. Prior to this transaction, Frontier also had no plans for expanding operations into Connecticut. Thus, the transaction will not eliminate the possibility of a future new competitor in that state. In fact, because AT&T is keeping its Connecticut operations serving enterprise customers, as well as all of its wireless operations, this transaction will increase local exchange competition in Connecticut as Frontier enters the market.

Frontier's acquisition of SNET America also will have no impact on competition in long distance services. The Commission has long acknowledged that competition to offer interexchange services is intense.[26] SNET America has a minimal role in the long distance marketplace. AT&T also will continue to provide long distance services nationwide after closing. Thus, post-closing consumers will continue to have a wide range of competitive choices for long distance service providers.

2. The Transaction Will Not Cause Any Disruption Or Harm To Retail Or Wholesale Customers.

Upon consummation, existing retail and wholesale customers will continue to receive substantially the same services on the same terms and conditions under their existing contracts and tariffs. In addition, the transfer will be coordinated and subject to pre-planning and testing to ensure a smooth transition. Accordingly, customers will not be harmed by the transaction and will benefit from the presence of a service provider headquartered in and committed to the state.

With respect to retail customers, Frontier will continue to provide substantially the same local exchange and domestic interstate and international interexchange telecommunications and information services after the closing of the transaction. Moreover, Frontier will introduce in Connecticut its branded products and services, such as its High-Speed Internet Service, which, as noted above, is offered at highly competitive prices, without requiring customers to sign annual contracts.

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[26] *See, e.g., SBC-AT&T Order*, 20 FCC Rcd at 18368-71 ¶¶ 146-152 (noting presence of extensive national networks with excess capacity); *see also id*. at 18342 ¶ 91 (noting "significance evidence in the record that long distance service purchased on a stand-alone basis is becoming a fringe market").

Frontier will honor existing tariffs and contracts to make the transition seamless for retail customers. In fact, because the SNET corporate entity will remain, most contracts and tariffs will not be impacted by the transaction.

Wholesale customer arrangements also will remain substantially the same as a result of this transaction. To the extent that SNET is the contracting party, interconnection agreements will not be affected. To the extent that another AT&T entity contracted on behalf of SNET, Frontier will assume those interconnection agreements that relate to service wholly within Connecticut. Interconnection agreements of SNET relating in part to service outside of Connecticut will need to be modified to apply to Frontier and the other party in Connecticut only, or those agreements will be replicated by Frontier with respect to Connecticut, following discussion with and required notice to the affected parties. In the latter cases, however, Frontier stands ready to put in place new interconnection agreements on substantially the same terms and conditions, so as not to disrupt existing arrangements.

In cases where another AT&T entity has contracted on behalf of SNET or SNET America and in the case of tariffs or contracts that cover other AT&T entities as well as SNET or SNET America, Frontier and AT&T have agreed to work in good faith to separate the portion of the shared contract or tariff that applies to SNET or SNET America, and Frontier has agreed to honor and assume AT&T's obligations and rights under that portion of the contract or tariff.[27]

As explained above, Frontier and AT&T also have in place a plan for the seamless transition of OSS and billing systems so that neither retail nor wholesale customers will experience disruptions in service, ordering, or billing. Post closing, AT&T's Connecticut

[27] As a general rule, because SNET was not the beneficiary of volume or minimum purchase commitments that applied across AT&T subsidiaries under those shared contracts or tariffs, minimum purchase or volume commitments will not be assigned to SNET or Frontier, except those that are specific to SNET.

operations will be converted onto Frontier's existing systems and networks. Frontier has the administrative and technical resources and experience to undertake the transition. Its existing billing and operations systems also are scalable so they will be able to accommodate the Transferred Business. Frontier has had consistent success in numerous complex system and network migrations. The company has consolidated seven different billing systems into one over the past seven years, which involved six million access lines. Frontier’s most recent conversion, after its 2010 transaction with Verizon, covered operations across 14 states and was completed approximately one year ahead of schedule, and included the successful switch over of operations in West Virginia.

Frontier is also acquiring AT&T’s broadband business in Connecticut, including its existing video business in Connecticut. Frontier will continue to provide video services in affected areas after the completion of the merger. Frontier will obtain content rights before closing and continue to offer customers substantially the same content available today, and AT&T will provide transport to support the service.

V. ADMINISTRATIVE MATTERS

A. REQUEST FOR APPROVAL OF ADDITIONAL AUTHORIZATIONS

The list of call signs and file numbers referenced in Attachment A is intended to be complete and to include all of the licenses and authorizations held by the respective licensees that are subject to the transaction. SNET and SNET America, however, may now have on file, and may hereafter file, additional requests for authorizations for new or modified facilities related to the assets to be transferred to Frontier, which may be granted before the Commission takes action on these applications. Accordingly, the Applicants request that any Commission approval of the applications filed for this transaction include authority for Frontier to acquire control of the following:

Any license or authorization issued to SNET and/or SNET America during the Commission's consideration of the applications and the period required for consummation of the transaction following approval;

Any construction permits held by SNET and/or SNET America that mature into licenses after closing; and

Applications that are filed after the date of these applications and that are pending at the time of consummation.

Such authorization would be consistent with Commission precedent.[28] Moreover, the parties request that the Commission's approval of the applications include any facilities that may have been inadvertently omitted.

B. EXEMPTION FROM CUT-OFF RULES

Pursuant to Sections 1.927(h), 1.929(a)(2) and 1.933(b) of the Commission's rules,[29] to the extent necessary,[30] the Applicants request a blanket exemption from any applicable cut-off rules in cases where Frontier files amendments to pending applications to reflect consummation

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[28] *See Qwest-CenturyLink Order*, 26 FCC Rcd at 4214-15 ¶ 46; *Frontier-Verizon Order*, 25 FCC Rcd at 5996 ¶ 64; *AT&T-Cingular Order*, 19 FCC Rcd at 21626 ¶ 275; *Application of WorldCom, Inc., and MCI Commc'ns Corp. for Transfer of Control of MCI Commc'ns Corp. to WorldCom, Inc.*, Memorandum Opinion and Order, 13 FCC Rcd 18025, 18153 ¶ 226 (1998); *NYNEX Corp. and Bell Atlantic Corp. for Consent to Transfer Control of NYNEX Corp. and Its Subsidiaries*, Memorandum Opinion and Order, 12 FCC Rcd 19985, 20097 ¶ 247 (1997); *Craig O. McCaw and Am. Tel. and Telegraph Co. For Consent to the Transfer of Control of McCaw Cellular Commc'ns, Inc. and its Subsidiaries*, Memorandum Opinion and Order, 9 FCC Rcd 5836, 5909 ¶ 137 n.300 (1994) ("*McCaw-AT&T Order*").

[29] 47 C.F.R. §§ 1.927(h), 1.929(a)(2), and 1.933(b).

[30] *See Sprint Nextel Corp. and Clearwire Corp. Applications for Consent to Transfer Control of Licenses, Leases, and Authorizations*, Memorandum Opinion and Order, 23 FCC Rcd 17570, 17611 ¶ 105 (2008) ("*Sprint-Clearwire Order*"). With respect to cut-off rules under Sections 1.927(h) and 1.929(a)(2), the Commission has previously found that the public notice announcing the transaction will provide adequate notice to the public with respect to the licenses involved, including for any license modifications pending. In such cases, it determined that a blanket exemption of the cut-off rules was unnecessary. *See Ameritech Corp. and GTE Consumer Services Inc. For Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 15 FCC Rcd 6667, 6668 ¶ 2 n.6 (WTB 1999); *Comcast Cellular Holdings, Co. and SBC Commc'ns, Inc. For Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 14 FCC Rcd 10604, 10605 ¶ 2 n.3 (WTB 1999).

of the proposed transfer of control. This exemption is requested so that amendments to pending applications to report the change in ultimate ownership of these licenses would not be treated as major amendments. The scope of the transaction demonstrates that the ownership change would not be made for the acquisition of any particular pending application, but as part of a larger transaction undertaken for an independent and legitimate business purpose. Grant of such application would be consistent with previous Commission decisions routinely granting a blanket exemption in cases involving similar transactions.[31]

C. TRAFFICKING

To the extent authorizations for unconstructed systems are covered by this transaction, these authorizations are merely incidental, with no separate payment being made for any individual authorization or facility. Accordingly, this transaction raises no trafficking issues, and there is no reason to review the transaction for trafficking.

D. EX PARTE STATUS

The Applicants request that the Commission treat this proceeding as permit-but-disclose pursuant to Section 1.1206 of the Commission's rules.[32] The public interest in expeditiously considering these applications would be served by the flexibility permitted by permit-but-disclose procedures.[33]

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[31] *See, e.g., Sprint-Clearwire Order*, 23 FCC Rcd at 17611 ¶105; *PacifiCorp Holdings, Inc. and Century Tel. Enterprises, Inc. For Consent to Transfer Control of Pacific Telecom, Inc., a Subsidiary of PacifiCorp Holdings, Inc.*, Memorandum Opinion and Order, 13 FCC Rcd 8891, 8915-16 ¶ 47 (WTB 1997); *McCaw-AT&T Order*, 9 FCC Rcd 5909 ¶ 137 n.300.

[32] *See* 47 C.F.R. § 1.1206.

[33] Pursuant to Section 1.1200(a) of the Commission’s rules, the Commission may adopt modified ex parte procedures in particular proceedings if the public interest so requires. *See* 47 C.F.R. § 1.1200(a).

E. OTHER FILINGS

In connection with this transaction, the parties are making filings with the Federal Trade Commission and U.S. Department Justice pursuant to the Hart-Scott-Rodino Antitrust Improvements Act, the Connecticut Public Utilities Regulatory Authority, and other state regulatory authorities as required.

VI. CONCLUSION

For the reasons above, the Applicants respectfully submit that the grant of these applications will serve the public interest, convenience, and necessity, and thus warrant favorable Commission action.

Attachment A

**LIST OF FCC AUTHORIZATIONS AND
WIRELESS LICENSES BEING TRANSFERRED**

The Southern New England Telephone Company

- Blanket Domestic Section 214 Authority
- Common Carrier Fixed Point-to-Point Microwave -- KCB95
- Industrial/Business Pool, Conventional -- WNJN897

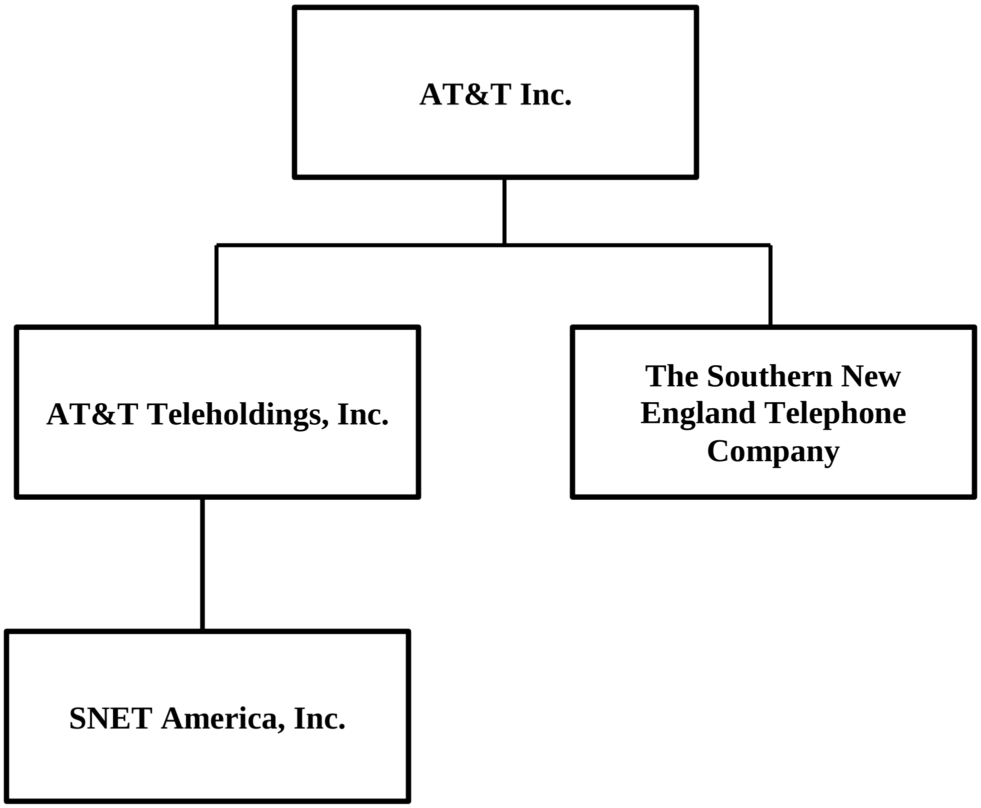
SNET America, Inc.

- Blanket Domestic Section 214 Authority
- International Section 214 Authorizations - ITC-214-19930716-00119, ITC-214-19950215-00064, and ITC-214-19960223-00083 (as modified by ITC-MOD-20041129-00487*)

* The transfer of control of File No. ITC-MOD-20041129-00487 should be considered a “partial” transfer of control that does not impact the operating authority of any entities that may be covered by the Section 214 modification other than SNET America.

Attachment B

Pre-Transaction Ownership Structure



Post-Transaction Ownership Structure