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Utility consumer advocates call for FCC to deny Verizon-Frontier merger

WASHINGTON – Sept. 21, 2009 – The Federal Communications Commission (FCC) should reject the merger of Frontier Communications Corp. and Verizon Communications, Inc., the nation's utility consumer advocates said today. The National Association of State Utility Consumer Advocates (NASUCA) along with the New Jersey Division of Rate Counsel will file their opposition to the merger later today, showing that the risks of the merger outweigh the potential benefits.

NASUCA members said if the merger of Frontier and Verizon is to be approved by the FCC, conditions should be required to ensure that consumers receive quality service at reasonable rates. The deal does not include Verizon's wireless business.

“The merger proposed by Frontier and Verizon is not in the public interest,” said David Springe, consumer counsel for the State of Kansas and president of NASUCA. “The failure of the companies to offer adequate consumer benefits or protections puts customers at risk of being served by a company without enough financial strength to make necessary improvements to local telephone facilities and widen the deployment of broadband access.”

If the merger is approved, Springe said the FCC should include:

- Broadband deployment in Frontier and Verizon territories, including access in 100 percent of Verizon service areas within five years and 100 percent of Frontier service areas within three years;
- Reporting commitments to the FCC and the affected states on broadband and service quality;

- An independent audit of the support systems used to provide wholesale and retail services to ensure they will seamlessly transition customers from Verizon to Frontier; and
- Review of the financial aspects of the transaction to ensure Frontier has adequate resources to sustain the operations of the combined company. NASUCA members are concerned that if economic conditions do not improve, Frontier may have further reductions in revenue which may lead to staffing shortages and, ultimately, the degradation of service to customers.

Frontier serves approximately 2.3 million customers in 24 states. The merger would add 4.8 million Verizon telephone lines in 14 states to Frontier's business.

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About the National Association of State Utility Consumer Advocates (NASUCA)

NASUCA is a non-profit, national organization of more than 40 state offices designated to represent consumers in state and federal utility proceedings. NASUCA regularly participates in proceedings before the Federal Communications Commission and other federal regulatory agencies.