



Update on the Frontier Communications Corporation's Acquisition of Verizon CA



Michael C. Amato
Acting Director, Communications Division
California Public Utilities Commission

October 13, 2016





Overview of Acquisition

- Acquisition Specifics
 - In D.15-12-005 (December 9, 2015), the Commission approved the application of Frontier Communications and Verizon CA for the transfer of control and transfer of assets and certifications subject to conditions
 - Conditions, Settlements and Memoranda of Understanding were reached between Frontier and parties to the proceeding
 - Effective April 1, 2016 Frontier assumed control of Verizon California
 - Name change from Verizon CA to Frontier CA
 - New Customer Service Contacts





Frontier - Verizon CA Transition Process

- Transition Integration Process
 - Developed a joint cutover plan in February, 2015 for the transfer of processes/programs between the companies with a schedule of deliverables including access to data prior to closing
 - Conducted four pre-cutover “mock data exchanges” to test processes, validate and confirm successful transfer of data
 - Frontier retained the Verizon CA offshore customer call center





CPUC CAB Complaint Information Related to Verizon – Frontier Acquisition

	Phone Only	Phone plus Internet and/or Video	Internet and Video Only	Total Monthly
April	218	171	114	503
May	265	151	208	624
June	51	39	54	144
July	37	32	60	129
August	18	27	57	102
Sept	27	17	18	62

Total Service Complaints = 1564





Nature of Customer Transition Problems

- Outage Problems
 - VoIP customers lost dial tone
 - Customers do not usually know if their fiber service provides VoIP or traditional telephone service
 - Data customers lost broadband
 - Video on Demand (VOD) customers lost full access to library of movies
 - Data transfer issues
 - Frontier system unable to process certain codes
 - Inaccurate Customer Premise Equipment (CPE) records
- Customer Care Problems
 - Offshore customer call center did not effectively perform, e.g. failed to use the correct code for complaints, and enter service call appointments in the Frontier systems
- Customers affected
 - Frontier represented that about 1500 customers were impacted





Frontier Resolution of Complaints

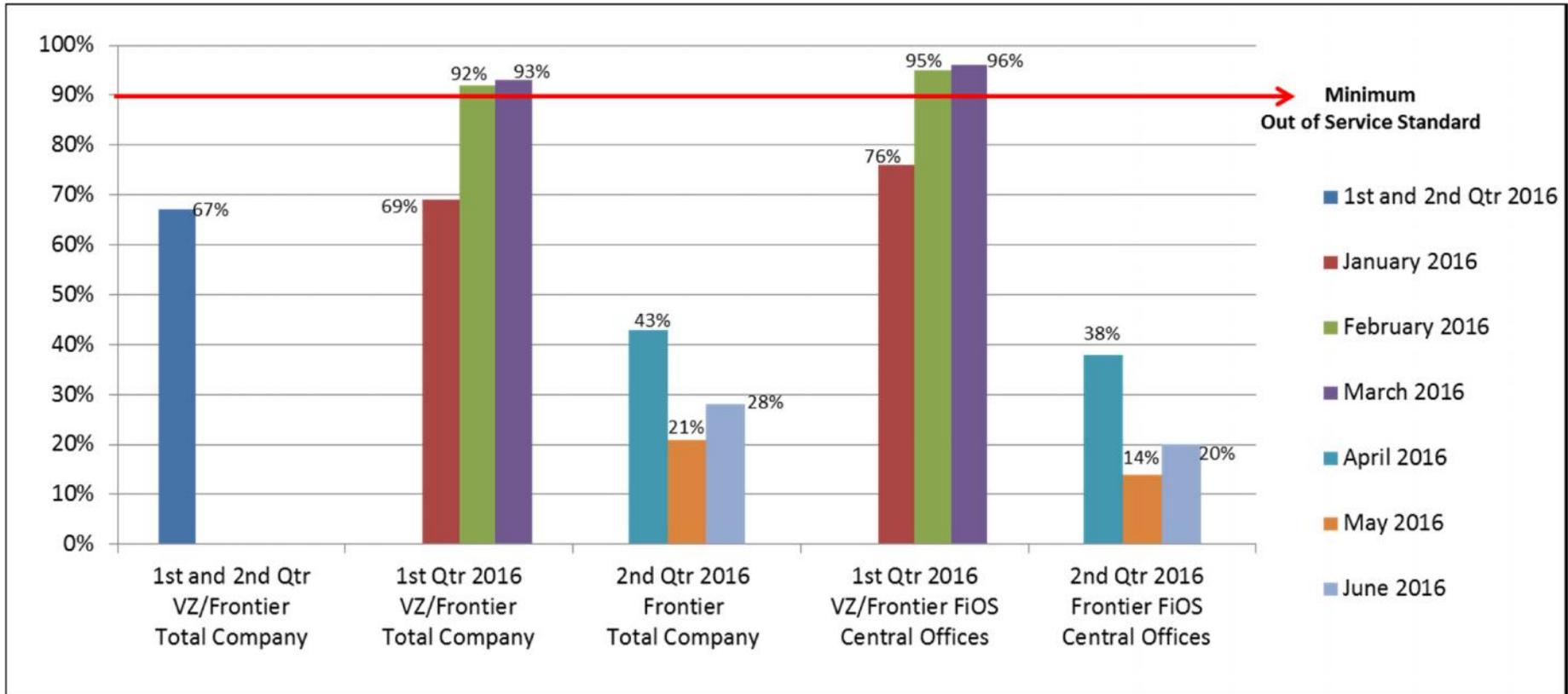
- Provisioned copper-based voice services to customers on an interim basis for service continuity;
- Established command centers to dispatch technician/personnel ;
- Set up separate 800 numbers for residential and business customers;
- Set up a ‘live chat’ channel on Frontier’s Contact Us website; and
- Set up an email account LetMelindaKnow@ftr.com to address transition issues
- Attended meetings with Local Agencies





PRE and POST ACQUISITION 2016

Comparison of Reported Out of Service Results for Verizon CA Total Company 1st - 2nd Q 2016 to Reported Out of Service Repair Results for Southern CA Central Offices Served by FTTH for 1st-2nd Q 2016



The OOS standard assesses the average time, in hours and minutes, that it takes to restore service to residential and small business customers. The minimum standard is to repair 90% of all outages within 24 hours. This measure excludes Sundays and federal holidays, as well as catastrophic events and widespread outages beyond a carrier's control.

Data Sources:

- Verizon California Total Company 1st – 2nd Quarter 2016 General Order 133-C Reports
- FiOS CO Data for 2016: Response to data request in I.14.05.012

Communications Division – October 6, 2016





Current Status

- Frontier reported that the following areas of concern have been addressed:
 - Installed system fixes to resolve data corruption/integrity
 - Recreated customer records to correct inaccuracies
 - Discontinued services of the offshore call center and call centers are now based in the U.S.
- Frontier is now operating in a business as usual mode.
- The Commission has included the Frontier –Verizon CA transition issues part of the Order Instituting Investigation I.14-05-012 on Call Completion and Access.
 - Public Participation Hearings/Workshops were held in Happy Camp, Guernerville, Calaveras, Long Beach, San Francisco, Visalia, and Santa Cruz FORM June through September 2016

