

BEFORE THE PUBLIC UTILITIES COMMISSION OF
THE STATE OF CALIFORNIA



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In the Matter of the Joint Application of
Frontier Communications Corporation,
Frontier Communications of America, Inc.
(U 5429 C) Verizon California Inc. (U
1002 C), Verizon Long Distance, LLC (U
5732 C), and Newco West Holdings LLC
for Approval of Transfer of Control Over
Verizon California Inc. and Related
Approval of Transfer of Assets and
Certifications

Application No. 15-03-005
(Filed on March 18, 2015)

**PROTEST OF THE CENTER FOR ACCESSIBLE TECHNOLOGY TO THE
JOINT APPLICATION FOR APPROVAL OF TRANSFER OF CONTROL
OVER VERIZON CALIFORNIA INC. AND RELATED APPROVAL OF
TRANSFER OF ASSETS AND CERTIFICATIONS**

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I. INTRODUCTION

Pursuant to Rule 2.6 of the California Public Utilities Commission's (Commission's) Rules of Practice and Procedure, the Center for Accessible Technology (CforAT) protests the above-captioned Joint Application of Frontier Communications, Verizon, and various subsidiaries and affiliates (collectively referred to as Applicants) to authorize the sale and transfer of assets and customer accounts from Verizon California to Frontier. The application was filed on March 18, 2015, and first appeared on the Commission's Daily Calendar on March 26, 2015. Pursuant to Rule 2.6(a), this protest is timely filed.

II. DISCUSSION

This Application is subject to review under Section 854 of the California Public Utilities Code, which requires the Applicants to demonstrate that the proposed transaction is in the public interest. As acknowledged by the Applicants, the public interest factors to be considered by the Commission include whether the Transaction will: (1) maintain or improve the financial condition of the resulting utility; (2) maintain or improve the quality of service to ratepayers; (3) maintain or improve the quality of management of the utility; (4) be fair and reasonable to affected utility employees, both union and nonunion; (5) be fair and reasonable to the majority of utility shareholders; (6) be beneficial on an overall basis to state and local economies, and to the communities in areas served by the utility; (7) preserve the jurisdiction of the Commission and the capacity of the Commission to effectively regulate and audit the utility; and (8) provide mitigation measures to prevent significant adverse consequences that may result from the transaction.¹

CforAT is currently reviewing the Application. This protest and the identified issues discussed below are based on our initial and limited review of the filing. CforAT may identify and develop other issues as further discovery and analysis is completed.

¹ Cal. Pub. Util. Code §854(c).

CforAT represent the interests of consumers with disabilities who would be affected by the proposed transfer of accounts and operations from Verizon to Frontier; these customers are disproportionately low-income and highly reliant on affordable and reliable access to wireline telecommunications services. If they do not have reliable access to telecommunications, particularly in an emergency, some of these customers may lose their ability to live independently in their community and be forced into an institutionalized setting. Separately, many of these customers also need to communicate with their telecommunications carrier in a non-standard format that ensures that is accessible.

In conducting a public interest evaluation of the proposed transfer, the Commission should specifically ensure that the needs of vulnerable populations such as customers with disabilities are adequately protected. This may require a review of practices to ensure that the services and information offered by the Applicants are accessible to customers with disabilities. It may also require targeted mitigation measures to prevent adverse consequences that would specifically affect vulnerable customer segments.

Based on the information provided by Applicants at this time, Applicants have not met their burden of proof to show that the proposed transfer would serve the public interest, nor have they demonstrated that the transfer would avoid or limit adverse consequences for current Verizon customers with disabilities. In particular, Applicants have not met their burden to show that Frontier will have or maintain operational capacity to ensure that the targeted assets will provide their customers generally, and their customers with disabilities specifically, with service quality at a level that adequately ensures reliability and effective access to the telecommunications network. This is because Verizon currently fails to meet the Commission's service quality standards as set forth in General Order 133-C, using the targeted facilities, as documented in the pending Commission Rulemaking on service quality among telecommunications carriers (R.11-

12-001). In the Service Quality proceeding, Communications Division Staff has reported that Verizon has routinely failed to meet requirements of GO 133-C, and substantial questions have been raised about the status of Verizon's physical facilities in California. Because Frontier seeks to take control of these facilities, it must show how it has evaluated the level of investment in deteriorating facilities that may be required in order to provide service in accordance with applicable standards and that it is prepared to make such an investment. The Application does not adequately address this issue.

In addition to our concerns about adequate service quality, CforAT intends to address whether the proposed transfer would be beneficial to the community of customers with disabilities and to address potential mitigation measures that would reduce the risk of harm from the proposed transfer on this vulnerable class of customers who may be at unique risk from the impacts of the proposed merger due to their unique characteristics, unless mitigation is provided. Customers with disabilities have specific needs from their telecommunications service, including:

- The need for accessible customer communications, including accessible bills and service information, accessible customer service, accessible customer education material, accessible provider websites, and other items;
- The need for affordable service, including affordable broadband access, since people with disabilities are disproportionately low income; and
- A heightened need for adequate service quality and reliability, since many people with disabilities depend on reliable high quality telecommunications to enable them to live independently. This includes reliable access to 911 service and reliable access to the telecommunications network even in the event of a power outage, as well as generally reliable ability to complete calls for assistance in non-emergency situations and to stay in regular contact with family friends, service providers, health care professionals, and others).

CforAT intends to present factual and legal contentions regarding the unique needs of the disability community as noted above, and the need for mitigation to address these concerns. At this time, it appears that no other intervenors are addressing the interests of the disability community. However, to the extent that the interests of this community overlap with those of other consumers, CforAT intends to coordinate its participation to the extent feasible with the other intervenors with similar interests.

III. PROCEDURAL ISSUES

CforAT respectfully recommends that the Commission categorize this proceeding as ratesetting, and that the scope of the proceeding include, but not be limited to, the issues identified in this protest. CforAT further recommends that the Commission schedule a prehearing conference to address the need for hearings and scheduling matters.

IV. CONCLUSION

CforAT respectfully requests that the Commission take action in keeping with the above discussion.

Respectfully submitted,

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