



April 27, 2020

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Frontier Communications Corporation
WC Docket No. 19-126
Request for Expedited Commission Inquiry Under Section 403

Dear Ms. Dortch:

On April 10, 2020, Frontier Communications Corporation (“Frontier”) submitted a limited challenge¹ in the above-referenced docket seeking to exclude more than 16,000 census blocks from eligibility in the Rural Digital Opportunity Fund (“RDOF”) Phase I auction.² Appendix 1 of the Frontier Challenge lists census blocks where Frontier asserts that it “has deployed broadband service at speeds of 25/3 Mbps since Frontier’s June 2019 Form 477 and that appear on the Bureau’s preliminary list.”³ If successful in its entirety, an estimated 400,000 Americans would live in areas that would not be eligible this year for RDOF support of voice and broadband at speeds of 25/3 Mbps or better.⁴

The Wireless Internet Service Providers Association (“WISPA”) and the National Rural Electric Cooperative Association (“NRECA”) are associations representing small broadband providers that were successful in the CAF Phase II auction and are likely to bid in the RDOF auction. We find it difficult to believe that Frontier was able to provide voice and 25/3 Mbps service in each of these 16,000 census blocks in just eight months, and question how this is possible, especially in light of Frontier’s operational issues and financial woes that led to its

¹ See Letter from Diana Eisner, Frontier, to Marlene H. Dortch, FCC Secretary, WC Docket No. 19-126 (filed Apr. 10, 2020) (“Frontier Challenge”).

² See *Public Notice*, Wireline Competition Bureau Releases Preliminary List and Map of Eligible Areas for the Rural Digital Opportunity Fund Phase I Auction, AU Docket No. 20-34, WC Docket Nos. 19-126 and 10-90, DA 20-275 (rel. Mar. 17, 2020) (“*Challenge Public Notice*”).

³ Frontier Challenge at 1. Frontier also seeks to exclude from eligibility additional census blocks in seven states that it claims are the subject of state-funded broadband programs requiring 25/3 Mbps or better buildout commitments. See *id.*

⁴ See Christopher Mitchell, “Frontier Removes 17,000 Census Blocks From \$20 Billion Rural Broadband Auction,” (Apr. 23, 2020), available at <https://muninetworks.org/content/frontier-removes-17000-census-blocks-20-billion-rural-broadband-auction>.

filing of a bankruptcy petition on April 14, 2020.⁵ We therefore respectfully request that the Commission exercise its authority under Section 403 of the Communications Act of 1934, as amended, and initiate an immediate inquiry into Frontier's claims.

Importantly, we ask that the inquiry be completed in expedited fashion so as to not delay to any extent the RDOF Phase I auction that is scheduled to begin October 22, 2020. As WISPA explained in its Reply Comments regarding the Commission's proposed auction procedures and as NRECA echoed, "delaying the auction will delay the availability of billions of dollars in RDOF support to rural areas that, in light of the COVID-19 pandemic, desperately need adequate broadband service in their communities."⁶ The Commission should not allow Frontier to take advantage of the one-sided challenge process and the relatively short amount of time to resolve challenges as an excuse to avoid inquiry into the Frontier Challenge.

In 2015, Frontier accepted more than \$283 million in CAF Phase II support to provide 10/1 Mbps service to more than 650,000 locations in 28 states by the end of 2020.⁷ This included an obligation to deploy service to 80 percent of the locations in each state by the end of 2019. In a January 15, 2020 letter, Frontier informed the Commission that "it may not have met the CAF Phase II eighty percent interim deployment milestone in Arizona, California, Illinois, Iowa, Minnesota, New Mexico, New York, Ohio, Oregon, Utah, Washington, Wisconsin, and West Virginia."⁸

Furthermore, according to Frontier's quarterly and annual financial reports, Frontier lost approximately 200,000 broadband customers from 2017-2018, representing a five percent decrease in broadband customers, and another 100,000 broadband customers through the third quarter of 2019.⁹ In a January 2020 presentation appended to its recent Form 8-K filed with the Securities and Exchange Commission, Frontier noted that its "overleveraged capital structure coupled with operational challenges limits the Company's ability to invest in critical areas to maintain and grow the business in the face of intense competition and general secular decline," and further mentioned the expiration of CAF-related cash flows at the end of 2021.¹⁰

The Commission has in the past responded to claims that carriers have overstated their coverage. As part of the Mobility Fund Phase II process, the Commission initiated a data collection effort from carriers in order to develop accurate 4G LTE coverage maps.¹¹ The largest mobile providers responded to the data request and submitted coverage maps to the

⁵ See *Frontier Communications Corporation*, Case No. 20-22476 (RDD) (S.D. NY) (filed Apr. 14, 2020).

⁶ Reply Comments of WISPA, AU Docket No. 20-34 and WC Docket Nos. 19-126 and 10-90 (filed Apr. 10, 2020) at 2.

⁷ See *News Release*, Frontier Communications Accepts Over \$283 Million Connect America Fund Offer to Expand and Support Broadband for 1.3 Million Americans (June 16, 2015).

⁸ Letter from AJ Burton, Frontier, to Marlene H. Dortch, FCC Secretary, WC Docket No. 10-90 (filed Jan. 15, 2020).

⁹ See Frontier 2017 Form 10-K (February 28, 2018) at 2; Frontier 2018 Form 10-K (February 28, 2019) at 2; Frontier Second Quarter Form 10-Q (August 7, 2019).

¹⁰ See Frontier Form 8-K (Mar. 27, 2020), Exhibit 1, Presentation to Unsecured Bondholders, at 9.

¹¹ *Connect America Fund; Universal Service Reform – Mobility Fund*, Report and Order and Further Notice of Proposed Rulemaking, 32 FCC Rcd 2152 (2017).

Commission.¹² After the submission, parties raised concerns regarding the accuracy of the submitted maps.¹³ Based on the complaints filed by those parties and the Commission’s own review of its record, the staff initiated an investigation into the maps submitted by Verizon, U.S. Cellular and T-Mobile out of a concern that they had overstated their coverage.¹⁴ Commission staff concluded that the coverage maps submitted by each of the investigated carriers likely overstated each provider’s actual coverage.¹⁵ As the staff report recognized, “[t]he Commission and the public must be able to rely on the deployment data that providers submit to the Commission. Inaccurate data jeopardize the ability of the Commission to focus our limited universal service funds on the underserved areas that need the most support.”¹⁶

The Commission should follow the same path here. However, both WISPA and NRECA urge the Commission to complete the inquiry as soon as possible so as not to delay Phase I of the RDOF auction.

In sum, while Frontier is missing CAF buildout milestones for 10/1 Mbps service, losing a large number of customers, hemorrhaging cash and seeking bankruptcy protection, it strains credulity for it to claim that it has upgraded service to 25/3 Mbps in 16,000 census blocks in eight months. As the inquiry into the practices of mobile carriers indicates, it is well within the Commission’s authority to ask Frontier for an explanation, especially given the stakes for hundreds of thousands of rural consumers that would be affected by a finding that these census blocks should be ineligible for RDOF. WISPA and NRECA ask that the Commission undertake this inquiry as soon as possible so as to not delay Phase I of the RDOF auction.

Respectfully submitted,

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¹² Mobility Fund Phase II Coverage Maps Investigation Staff Report, GN Docket 19-367 at ¶ 17 (December 4, 2019) (“*Staff Report*”).

¹³ See, e.g., *Universal Service Reform – Mobility Fund*, WC Docket No. 10-90, WT Docket No. 10-208, Information Request of the Rural Wireless Association, Inc. for Commission Action (Aug. 6, 2018); Letter from Mark Seagren, CTO/Senior RF Engineer, 4G Unwired, Inc., et al., to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90, WT Docket No. 10-208 (July 5, 2018).

¹⁴ *Staff Report*, GN Docket 19-367.

¹⁵ *Id.* at ¶ 4.

¹⁶ *Id.* at ¶ 5.

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