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

In the Matter of	)	
	)	
Frontier Communications Parent, Inc. Transferor	))	WC Docket No. 24-445
	)	
and Verizon Communications Inc. Transferee	))	
	)	
Joint Application for Consent to Transfer Control of Domestic and International Authority Pursuant to Section 214	)))	

REPLY COMMENTS OF INCOMPAS

INCOMPAS submit these reply comments in response to the Federal Communications Commission's ("FCC" or "Commission") *Public Notice ("Notice")* seeking comment on the applications filed by Frontier Communications Parent, Inc. ("Frontier") and Verizon Communications Inc. ("Verizon") (together "Applicants") to transfer control of the authorizations and licenses held by wholly owned subsidiaries of Frontier to Verizon through a merger transaction.[1]

INCOMPAS is the preeminent national industry association for providers of competitive communications networks, including both wireline and wireless providers in the broadband marketplace. We represent fixed broadband companies, including small local fiber and fixed wireless providers, that provide residential broadband internet access service ("BIAS"), as well

[1] *Applications Filed For The Transfer Of Control Of Frontier Communications Parent, Inc. To Verizon Communications Inc.,* Public Notice, DA 24-1132, WC Docket No. 24-445 (rel. Nov. 8, 2024).

as other mass-market services; voice service providers, including traditional CLECs and VoIP providers, that serve residential and enterprise customers; companies that are providing business broadband services to schools, libraries, hospitals and clinics, and businesses of all sizes, including regional fiber providers; and transit and backbone providers that carry broadband and internet traffic.

While INCOMPAS and its members generally support the merger between the Applicants, our members are concerned about competitive harm that could result from the transaction and therefore request that the Commission apply merger conditions in this proceeding to ensure that business data services ("BDS") offered by the Applicants are provided to competitors at just, reasonable and not unreasonably discriminatory rates, terms, and conditions. INCOMPAS further files in support of the Coalition for IP Network Transition's plan to require the Applicants to interconnect with all other carriers on an Internet Protocol ("IP") basis. As described herein, these conditions will serve the public interest, convenience, and necessity and ensure that competitors are not disadvantaged by the merger.

I. THE COMMISSION SHOULD CONDITION THE TRANSACTION ON THE APPLICANTS' AGREEMENT TO ABIDE BY VERIZON'S BDS RATE STRUCTURE AND A CAP ON ANNUAL BDS RATE INCREASES

INCOMPAS accepts the Applicants' statement of public interest in their joint application with respect to upgrading and expanding the Applicants' fiber networks. Frontier's fiber expansion plans will require significant investment and the proposed transaction with Verizon should provide the company with the needed capitalization to achieve its goal of reaching 10 million locations by 2026.[2] The transaction will enhance its fiber network, increase support for

[2] Joint Application for Consent to Transfer Control of Domestic and International Authority Pursuant to Section 214, WC Docket No. 24-445, Exhibit C at 2 (filed Oct. 11, 2024) ("Application").

its business partners through Verizon's operational expertise, and allow the combined company to meet the needs of its customers.

However, INCOMPAS is unwilling to concede to the Applicants' assertions that the transaction will not result in competitive harms, particularly with respect to the impact pricing decisions associated with business data services and more traditional time division multiplexing ("TDM") services, such as DS1s and DS3s, will have on competitive providers. Frontier's local incumbent LEC operations may not materially overlap with Verizon's existing incumbent LEC exchanges, but the combined entity that will result from the proposed transaction would have substantial negotiating leverage over partners for services offered, like BDS, and INCOMPAS urges the Commission to condition its approval of the merger on the Applicants' agreement to offer rates that are no higher than Verizon's current pricing schedule for BDS services as well as on an annual cap on BDS rate increases.

According to our members, Frontier currently charges significantly more for its high-capacity BDS connections, including DS1, DS3, and 10-mile circuits. For example, Frontier averages a 318-1800% increase in costs associated with its DS1 and DS3 connections in its West Virginia service area as compared to the rates that Verizon charges for these same connections in Virginia. Costs for a single BDS connection with Frontier in West Virginia (in this case, a DS3 Mux) can exceed $29,000 when the same connection through Verizon in Virginia is approximately $3,000. Ten-mile circuits are also significantly more expensive in the Frontier network with connections costing 357-489% more than a similar Verizon connection.[3]

[3] Pricing information is provided through TelView's Telecom Tariff and Document Library, *available at* https://telview.com/LogInSplash.aspx?RedirectURL=https%3a%2f%2ftelview.com%2fdefault.aspx&Message=.

Competitive providers that offer BDS to their customers via DS1 and DS3 connections find it increasingly difficult to support these services at reasonable and justifiable rates. As these costs are passed along to customers, INCOMPAS posits that the public interest would be better served by the Commission conditioning its approval of this transaction on the Applicants' agreement to abandon Frontier's rate structure for BDS services in favor of rates that are no higher than Verizon's current rate structure. Furthermore, INCOMPAS urges the Commission to adopt a merger condition in which the Applicants will not increase those BDS rates on an annual basis by more than 10%.[4] Adopting these conditions would ensure that Verizon does not immediately adopt Frontier's exorbitant rate structure for BDS connections and that the combined entity's proposed annual rate increases would be reasonable and manageable for competitive providers.

II. REQUIRING THE APPLICANTS TO ENGAGE IN IP INTERCONNECTION WILL ASSIST THE COMMISSION IN MEETING ITS PUBLIC SAFETY AND CONSUMER PROTECTION GOALS

Finally, INCOMPAS supports the Coalition for IP Network Transition's request to condition the Commission's approval of the transaction on the requirement of the Applicants to interconnect with all other carriers on an Internet Protocol basis.[5] In February, INCOMPAS joined with NTCA, the VON Coalition, and the Cloud Communications Alliance to draw attention to the detrimental effect that the lack of an IP interconnection framework has on the Commission's long-term goals with respect to call authentication (including the further implementation of the STIR/SHAKEN framework), public safety (successful routing of NG911

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[4] Such rates must also comply with Section 201(b) of the of the Communications Act of 1934, as amended.

[5] *See* Comments and Request for Merger Conditions of the Coalition for IP Network Transition, WC Docket No. 24-445 (filed December 9, 2024).

features), and call identification (enabling the use of rich call data).[6] IP interconnection is critical, for example, to the success of Commission-adopted robocall mitigation and call authentication efforts. Companies have expended considerable resources to deploy STIR/SHAKEN to increase consumer trust in voice service networks only to see that technology and the agency's robocall mitigation efforts undermined by a lack of IP interconnection. The Commission's recent decision in the NG911 proceeding can and should act as a guide to establishing a long-term solution for the current lack of IP interconnection.[7] Given the value this transition would bring to consumers and industry, INCOMPAS urges the Commission to adopt the Coalition's straightforward and common-sense plan for implementing the technical and business frameworks for the utilization of IP technologies and to condition the transaction on a requirement to engage in IP interconnection.

For the reasons stated herein, INCOMPAS urges the Commission to consider the recommendations in its reply comments as it considers the proposed transaction between the Applicants.

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[6] Letter of INCOMPAS, NTCA—The Rural Broadband Association, the Cloud Communications Alliance, and the Voice on the Net Coalition, CG Docket No. 17-59, WC Docket No. 17-97 (filed Feb. 13, 2024). In February, INCOMPAS, the Cloud Communications Alliance, the Voice on the Net Coalition, and NTCA—The Rural Broadband Association called for the Commission to address the lack of an IP interconnection framework. The joint associations noted that "[w]ithout a framework, providers are not incented to exchange voice traffic in IP, undermining the robustness and security of our telecommunications infrastructure. Several critical developments, including the implementation of STIR/SHAKEN and other forthcoming caller ID authentication initiatives, have been, and will continue to be, impeded without ubiquitous IP interconnection." INCOMPAS and CCA urge the Commission to "proactively examine and endorse measures that promote IP interconnection."

[7] *See Facilitating Implementation of Next Generation 911 Services (NG911), Location-Based Routing for Wireless 911 Calls*, PS Docket No. 21-479, PS Docket No. 18-64, Report and Order, FCC 24-78 (rel. July 19, 2024) (obligating service providers to deliver 911 traffic in IP format upon request).

Respectfully submitted,

INCOMPAS

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