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FCC approves Frontier's acquisition of Verizon landlines

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Phone bills for some customers in East Central Illinois will look different beginning later this summer.

The Federal Communications Commission recently approved Frontier Communication's plans to acquire almost 5 million land lines from Verizon Communications. The lines are in mostly rural and small cities across the U.S., including Illinois towns currently served by Verizon such as Rantoul, Paxton, Mahomet, Monticello, Tuscola, Villa Grove, Hoopeston, Clinton, Farmer City, Sullivan and Paris.

The approval was the final step needed for the transfer of the lines from Verizon to Frontier. The deal, valued at \$8.6 billion and announced last spring, involves Frontier purchasing lines in 14 different states. Regulators in several other states, from Arizona to Washington, also approved the acquisition. The Illinois Commerce Commission last month approved the transaction, despite an administrative law judge decision's in March to deny Frontier's bid to buy the lines in Illinois.

"As the deal was originally written, we had concerns the purchase of Verizon's land lines would lead to potentially poor service and higher rates," said Jim Chilsen, spokesman for the Citizens Utility Board in Chicago.

Throughout the approval process, the consumer advocacy group pushed for safeguards such as rate caps and commitments to increase broadband availability.

The ICC approval ended up coming with several conditions, among them, boosting broadband availability and capping rates for three years from the time the deal closes, which is expected to occur by the end of June.

The FCC conditions also include Frontier committing to extend broadband to at least 85 percent of transferred lines by 2013; plus pledging to extend fiber to libraries, hospitals and other "anchor" institutions in unserved and underserved communities; promoting competition, including honoring Verizon's commitments with its wholesale operations; and improving data quality and collection, including making information about its broadband deployment available to the FCC.

In a statement announcing the ICC's approval of the deal, commissioner Erin O'Connell-Diaz said: "This grant of authority to Frontier will help to close the gap that still exists for many Illinoisans by giving them access to essential 21st-century technologies."

"In the end, it's up to Frontier that it keeps its promises," Chilsen said. "Illinois is watching."

All told, about 10,000 Verizon employees will become Frontier employees. Beginning in early July, they'll be wearing different shirts and hats. Around the same time, the bills customers will receive will look similar but contain the Frontier logo, and bills will be sent to a different post office address, according to Steve Crosby, Frontier's senior vice president of regulatory and legislative affairs and public relations.

The company will deploy local managers throughout the state, each one assigned to a different geographic area, he said. These managers will be undergoing training over the next few months.

"We're very local in nature and very hands-on," Crosby said. "We're all about customer service and the local nature of things."

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