



STATE OF CONNECTICUT



**GEORGE JEPSEN**  
ATTORNEY GENERAL

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## **AG Jepsen, Consumer Counsel Katz Reach Agreement with Frontier over AT&T Acquisitions in Connecticut**

*For immediate release*

TUESDAY, AUGUST 12, 2014

HARTFORD – Attorney General George Jepsen and Consumer Counsel Elin Swanson Katz today announced that the state has reached a settlement agreement with Frontier Communications Corporation in connection with its acquisition of AT&T's phone, broadband Internet and television services in Connecticut.

The negotiated, three-year agreement was filed with the state Public Utilities Regulatory Authority (PURA) today, and requires PURA's approval. It provides for significant capital improvements and other investments and programs as well as a rate freeze for certain service offerings for at least three years.

"This agreement is the product of good-faith efforts on the part of Frontier, my office and the Consumer Counsel to ensure that this transaction protects and advances the public interest," said Attorney General Jepsen. "The consumer protections in this agreement – including provisions on service pricing and reliability – will help to provide continuity of service for current and new customers. Additionally, \$63 million in improvements to broadband service and capability over three years will have a significant impact not only on the quality of service for current customers but also on expanding broadband service to those currently underserved or unserved by AT&T."

Attorney General Jepsen continued, "We are also pleased that Frontier has made commitments to benefit both veterans and charities in our state. This includes the company's agreement to develop a program to offer low-income veterans access to affordable broadband and telephone service and to hold job fairs specifically targeted to veterans. In addition, we commend Frontier for committing to generous community engagement through charitable giving in support of Connecticut causes."

"Frontier will be replacing AT&T as the state's sole provider of traditional landline phone service," Consumer Counsel Katz said, while noting the exception of Verizon's Greenwich territory. "With such an important responsibility, I'm pleased that Frontier has committed to provide some price protection for those that rely on basic phone service, which includes some of our most vulnerable citizens. With Frontier's significant investment in broadband expansion, including \$3 million specifically to help consumers who only can access dial-up internet service, I also hope to work with Frontier to implement continued improvement in both internet speed and access in the next few years."

Katz added, "Frontier has also agreed to support an important change in how the state's utility poles are managed, with its support of key provisions of a proposed 'single pole administrator' system, which will advance the state's ability to respond to outages from storms, improve pole maintenance, and support



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economic development in the state. They are also making a significant commitment to our veterans. I appreciate Frontier's willingness to work with us on all of these important issues."

The agreement with the state provides that Frontier:

- **Will not increase the basic landline residential rate for at least three years.** Additionally, Frontier will offer its basic broadband bundle and stand-alone basic broadband product at or below current prices for at least three years – a product and price-point designed to facilitate quality internet access for modest-income families in Connecticut.
- **Will invest a total of \$63 million in capital improvements over three years (2015, 2016 and 2017) to improve and expand broadband capabilities in Connecticut.** This investment will be used both to increase the speed of its broadband service and to expand its broadband availability to areas that are currently not served. The company has agreed to dedicate at least \$3 million to projects focused on expanding to areas that are currently unserved or underserved.
- **Will not pass through to or recover transactional costs from Connecticut customers.** Connecticut customers will not fund any portion of the AT&T acquisition premium or purchase price or any costs associated, including financial, legal, severance payments, regulatory fees or investment services.
- **Will institute a Connecticut-based pilot program, in collaboration with the Department of Veterans Affairs, to improve the adoption and utilization of the VA's My HealtheVet and Home Telehealth programs.** Frontier will support the pilot program with a combination of subsidized broadband service and a \$50,000 donation per year to be used for VA-selected computer tablets and other telehealth-capable devices. The program will launch in 2015 and Frontier will participate for a least three years.
- **Will provide Connecticut's low-income veteran population reduced price broadband service.** Eligible veterans will qualify for \$19.99 per month basic broadband service (reduced from \$34.99), without a contract or an auto-pay requirement, and will receive a free modem and free first-month service. The company will work in the coming months with the Attorney General and Consumer Counsel to develop the criteria and mechanism for determining eligibility.
- **Will host at least one veteran-focused job fair per year for three years beginning in 2015 to identify veterans for employment by the company.**



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- **Will maintain charitable contributions in Connecticut in an aggregate annual amount of \$500,000 beginning in 2015.** In addition, in 2014, Frontier agrees to a \$75,000 sponsorship of the Connecticut Open Presented by United Technologies and University of Connecticut Athletics – and a two-year commitment to support football and men's and women's basketball – in the total amount of \$512,500.
- **Will, in the event of widespread outages – as during a major weather or out-of-service event – improve and ensure the accuracy of its outage reporting to PURA.**
- **Will accelerate ongoing pole inspections by two years and seek to coordinate inspection efforts with the state's electric utilities. Frontier will fund necessary repairs to poles without tapping into its \$63 million capital commitment.** Frontier also agreed to several provisions regarding pole administration, including designating a single point of contact for parties seeking a license to install a pole attachment or to relocate attachments, and agreed to comply with any final order or decision by PURA in its open docket on a third-party statewide utility pole administrator.
- **Will provide a semi-annual report to PURA on its compliance and progress with the agreement.**

Assistant Attorneys General Michael Wertheimer and John Wright and Associate Attorney General Joseph Rubin assisted the Attorney General with this matter. Attorney William Vallee, the State's Broadband Policy Coordinator, and Attorney Joseph Rosenthal assisted the Consumer Counsel with this matter.

[Please click here to view the settlement agreement.](#)

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