



PURA Approves Frontier/AT&T Transaction with OCC's Support; What Does this Mean for Customers?

On October 15, the Public Utilities Regulatory Authority (PURA) approved Frontier Communications Corporation's (Frontier) purchase of AT&T, Inc.'s (AT&T) Connecticut landline telephone service. Frontier also purchased AT&T's broadband and U-Verse services (U-Verse internet, voice, and television) in Connecticut and some other assets. AT&T's wireless communication and enterprise (large corporate accounts) services are not part of the transaction, so AT&T will continue to have a presence in Connecticut.

The transaction results from the fact that part of Frontier's core business model is to operate landline telephone companies and make related broadband offerings. AT&T's focus in the Northeast is increasingly on wireless telephone services and advanced communication services for businesses. The transaction thus makes sense for the business models of both of the companies, and OCC has worked in the PURA proceeding reviewing the transaction to make sure that it also works well for customers.

PURA's approval of the Frontier transaction included approval of settlements that Frontier reached with certain parties, including one negotiated by Consumer Counsel Elin Swanson Katz and Attorney General George Jepsen. The settlement between the Office of Consumer Counsel (OCC), the Office of the Attorney General, and Frontier included terms that will have significant and wide-ranging benefits for Connecticut consumers, including:

- A freeze, for three years, on current prices for basic landline residential service, the basic broadband bundle (digital phone plus internet), and the stand-alone basic broadband product.
- Frontier 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. At least \$3 million of this amount will be focused on expanding to areas that are currently unserved or underserved with broadband.

- Connecticut customers will not be financially responsible for any of the costs of the AT&T/Frontier transaction.
- Frontier will provide Connecticut's low-income veteran population with reduced price broadband service. The charge will be \$19.99 per month for basic broadband service (reduced from \$34.99), without a contract or an auto-pay requirement, and such customers will receive a free modem and free first-month service.
- Frontier 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 HealthVet and Home Telehealth programs. Frontier will support the pilot program with a combination of subsidized broadband service and a \$50,000 donation per year for at least three years.

Now that the transaction has been approved by PURA, the deal is expected to close by the end of October. At that point, customers of the AT&T services listed above (landline telephone, broadband, and/or U-Verse) will become Frontier customers as to those services. Frontier and AT&T are working on making the billing transition smooth and understandable for customers. It is OCC's understanding that:

- If you are presently receiving a wireless service from AT&T (i.e., cell phone service) as well as a landline telephone, U-Verse product, or other service which is being purchased by Frontier, the billing for those services is obviously going to need to be separated;
- Frontier will honor the discounts you may be receiving for an AT&T bundled package for the period that the package is supposed to be in place. The two bills you will receive for items in that package (a wireless bill from AT&T, and a bill from Frontier for other services) should add up to the same amount you are currently paying to AT&T;
- If you are presently using auto-pay on combined AT&T services, auto-pay will continue for your landline, U-verse, and internet services even though those services are transferring to Frontier. However, you would need to re-enroll with AT&T to continue to have auto-pay on your wireless bill; and
- You can keep your current internet address(es) and phone numbers regardless of this transaction.

If you have additional questions about how billing works, Frontier and AT&T websites have a lot of “FAQ” type information posted on their websites. Go to www.frontierct.com or <http://www.att.com/esupport/article.jsp?sid=KB423417&cv=812#fbid=V49qhRWdpsd> for more information. You should also be receiving notices from Frontier and AT&T explaining the billing situation in more detail.

PURA is statutorily mandated and funded to handle consumer complaints relating to public utility services. PURA advises that, if you experience a problem with a utility company, to contact the utility company first and give it an opportunity to resolve your problem. If the matter is not resolved to your satisfaction please contact PURA for help.

1-800 382-4586 (toll free within Connecticut)

1-860 827-2622 (outside Connecticut)

TDD 860-827-2837

<http://www.dpuc.state.ct.us/PURACAIU.NSF/RevWebIntake?OpenForm>

OCC will also try to help with your question if you call us at 860-827-2900 or contact us at occ.info@ct.gov.