

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Joint Application of)	DOCKET UT-090842
)	
VERIZON COMMUNICATIONS INC.)	
AND FRONTIER)	ORDER 09
COMMUNICATIONS)	
CORPORATION)	
)	ORDER FURTHER EXTENDING
For an Order Declining to Assert)	DEADLINE TO MEET
Jurisdiction Over, or, in the Alternative,)	BROADBAND TARGETS
Approving the Indirect Transfer of)	
Control of Verizon Northwest Inc.)	
)	
.....)	

BACKGROUND

1 By Order 06, Final Order Approving and Adopting, Subject to Conditions, Multiparty Settlement Agreements and Authorizing Transaction, entered April 16, 2010 (Order 06), the Washington Utilities and Transportation Commission (Commission) approved the multiparty settlement agreement (Agreement) entered into between Verizon Communications, Inc., Frontier Communications Corporation (Frontier), and the Commission Staff.¹ In Commitment 15 of that Agreement, Frontier committed to deploy broadband service in not less than 95 percent of the wire centers in its service territory within two years of closing.² The same commitment also provides a specific target to deploy broadband to 50 percent of the households in each unserved and underserved wire center by the end of 2011. In Commitment 14 of the Agreement, Frontier agreed that if it is technically infeasible to fulfill one or more of the broadband objectives in Commitment 15, it would submit to the Commission a

¹ In formal proceedings, such as this, the Commission’s regulatory staff participates like any other party, while the Commissioners make the decision. To assure fairness, the Commissioners, the presiding administrative law judge, and the Commissioners’ policy and accounting advisors do not discuss the merits of the proceeding with the regulatory staff, or any other party, without giving notice and opportunity for all parties to participate. *See* RCW 34.05.455.

² This transaction closed on July 1, 2010.

detailed report identifying the technical infeasibility and proposing an alternative broadband deployment plan.

- 2 On May 9, 2012, the Commission entered Order 08, Order Extending Deadline to Meet Broadband Targets, Requiring Updated Reports, and Dismissing Request to Confirm Confidentiality (Order 08). Order 08 granted Frontier's request to extend to July 1, 2012, the deadline for expanding broadband service to unserved and underserved wire centers to overcome certain technical obstacles the Company identified in the Revised Broadband Plan Report it filed on April 23, 2012 (Revised Report).
- 3 On May 30, 2012, Frontier filed a Petition to Extend the Deadline to Meet Broadband Targets for Specific Wire Centers (Petition). The Petition states, "Due to circumstances outside of Frontier's control, completion of projects in a small number of unserved wire centers may not meet the previous time commitment." Frontier represents that it is possible the projects will be completed on time but requests an extension of the deadline established in Order 08 "[o]ut of an abundance of caution." The circumstances beyond the Company's control include delays in leasing circuits from other carriers and obtaining necessary permits from the Washington State Department of Transportation. The Petition "requests an extension until the issues affecting these projects can be resolved and the projects completed" but does not specify a date by which the Company expects that to occur.
- 4 On June 6, 2012, Frontier filed an Amended Petition to Extend the Deadline to Meet Broadband Targets for Specific Wire Centers (Amended Petition). The Amended Petition adds another wire center to the four wire centers identified in the Petition and states that project engineers are encountering more rock than anticipated while boring for fiber placement in the wire center, which may result in tardy completion of the project. Again, the Company does not propose a new deadline.
- 5 No party filed a response to the Petition or Amended Petition.

DECISION

- 6 We continue to have the concerns we previously expressed with Frontier's inability to meet deadlines to which the Company voluntarily committed.³ We trusted that Frontier had requested sufficient time to address the technical obstacles it cited in its Revised Report and expected the Company to achieve its latest commitment.⁴ We are disappointed to learn that Frontier may miss yet another deadline that the Company proposed. We nevertheless appreciate Frontier's proactive efforts to inform the Commission of issues that threaten to cause further delay and to seek extension of the deadline established in Order 08 now, rather than waiting until the last minute should the actual need arise.
- 7 We will authorize a further extension of the deadline for Frontier to satisfy its obligations in Commitment 15 of the Agreement, but we are not willing to do so without a date certain, as the Company requests. Rather, we will allow Frontier until August 1, 2012, to complete the projects necessary to fulfill Commitment 15 in the five wire centers identified in the Amended Petition. The Company should not expect the Commission to grant any additional extensions of this deadline.
- 8 Frontier does not request an extension of the July 16, 2012, deadline for the updated reports the Commission required in Order 08. Rather, the Petition states that "Frontier proposes to continue to report monthly, if needed, beyond the July 16, 2012 reporting requirement until completion of the projects." We will adopt that proposal and require Frontier to file supplemental reports by August 16, 2012, if the Company is unable to complete all projects by July 16, 2012.

³ Order 08 ¶¶ 12-13.

⁴ *Id.* ¶ 16.

ORDER

THE COMMISSION ORDERS, That:

- 9 (1) Frontier's request to further extend the deadline for expanding broadband service to the five unserved wire centers identified in the Amended Petition is granted until August 1, 2012.
- 10 (2) By August, 16, 2012, Frontier shall file supplements to the reports required in Order 08 if Frontier is unable to complete all broadband expansion projects by July 16, 2012.

Dated at Olympia, Washington, and effective June 18, 2012.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

JEFFREY D. GOLTZ, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner