



PUBLIC NOTICE

Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

News Media Information 202 / 418-0500
Internet: <http://www.fcc.gov>
TTY: 1-888-835-5322

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VERIZON COMMUNICATIONS INC. CONDITIONALLY ACCEPTS OVER \$48.5 MILLION IN CONNECT AMERICA PHASE II SUPPORT IN CALIFORNIA AND TEXAS

WC Docket No. 10-90

By this Public Notice, the Wireline Competition Bureau (Bureau) announces that Verizon Communications Inc. (Verizon) has conditionally accepted \$31,978,057 in annual Connect America Phase II model-based (Phase II) support in California and \$16,576,929 in annual Phase II support in Texas.¹ Specifically, Verizon accepts the Phase II support conditioned “upon issuance and acceptance of” regulatory approvals for Frontier Communications Corporation’s (Frontier) acquisition of all the ownership interests of certain Verizon subsidiaries, including Verizon California Inc. (Verizon California) and GTE Southwest Incorporated d/b/a Verizon Southwest (Verizon Texas) by December 31, 2015.²

Verizon requests that the Universal Service Administrative Company (USAC) defer Connect America support payments for California and Texas until Verizon provides written notice to the Bureau that the transaction has been closed.³ Accordingly, we direct USAC to suspend the payment of Connect America support to Verizon in these two states for the month of August and thereafter until further notice. Upon notification that the transaction has been closed, the Bureau will release a public notice directing USAC to obligate and disburse to Frontier the deferred support payments from the Universal Service Fund.⁴

For additional information on this proceeding, contact Heidi Lankau (Heidi.Lankau@fcc.gov) of the Wireline Competition Bureau, Telecommunications Access Policy Division, (202) 418-7400.

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¹ See Letter from Christopher Creager, Senior Vice President West Area Operations, Strategic Initiatives, Verizon Communications Inc., to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90 (filed Aug. 26, 2015) (Verizon Aug. 26, 2015 Letter). On April 29, 2015, the Bureau released a public notice announcing the offers of model-based Phase II support to each price cap carrier to fund the deployment of voice and broadband-capable networks in their service territories. *Wireline Competition Bureau Announces Connect America Phase II Support Amounts Offered to Price Cap Carriers to Expand Rural Broadband*, WC Docket No. 10-90, Public Notice, 30 FCC Rcd 3905 (Wireline Comp. Bur. 2015).

² Verizon Aug. 26, 2015 Letter at 1. Verizon states that if approved, the transaction will result in Verizon California and Verizon Texas becoming wholly-owned indirect subsidiaries of Frontier. Verizon defines regulatory approvals as “the regulatory approvals required to consummate the transaction in accordance with its terms, including approval of the [t]ransaction by the FCC and the California Public Utilities Commission.” *Id.* This Public Notice in no way prejudices the Commission’s review of the transaction.

³ *Id.*

⁴ In the event that the conditions for acceptance are not satisfied, upon written notice, the Bureau will direct USAC to reinstate Verizon’s Connect America Fund Phase I frozen support amounts in California and Texas and resume payment to Verizon of these amounts.