

Division of Ratepayer Advocates

California Public Utilities Commission 505 Van Ness Ave., San Francisco

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PRESS RELEASE

Media Contacts:

Sepideh Khosrowjah, Policy Advisor, 415-703-1190, skh@cpuc.ca.gov Tom Hall, Information Officer, 415-703-1366, news@cpuc.ca.gov

DRA Succeeds In Ensuring Customers Will Benefit From The Verizon CA / Frontier Sale

SAN FRANCISCO, October 29, 2009 – The Division of Ratepayer Advocates (DRA), an independent consumer advocacy division of the California Public Utilities Commission (CPUC), successfully advocated on behalf of telephone customers affected by a major merger. Today, by a vote of 5-0, the CPUC adopted a negotiated settlement agreement between DRA, The Utility Reform Network (TURN), Verizon CA and Frontier for a merger that involves the sale of some Verizon properties to Frontier.

As part of a 16-state merger/acquisition, Verizon and Frontier filed an application in California requesting approval to transfer a portion of Verizon's local and long distance business to Frontier. After reviewing the application, DRA was concerned that there were no protections against possible negative effects from the merger on affected customers. DRA advocated that merger approval be contingent on specific price and service quality protections. The adopted settlement agreement that DRA negotiated includes a one-year rate freeze for basic phone service and the most popular custom calling services (e.g., Call Waiting and Caller ID) and measures to ensure that customers in the exchanges being sold do not have their service quality degraded as a result of the transaction.

"DRA applauds the CPUC for approving this merger settlement. This decision demonstrates DRA's continuing commitment to obtain the lowest possible rates and reliable service for Californians," said DRA Director Dana Appling.



For more information on DRA, please visit www.dra.ca.gov

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