

State of Minnesota
Before the
Minnesota Public Utilities Commission

Katie Sieben	Chair
Dan Lipschultz	Commissioner
Valerie Means	Commissioner
Matt Schuerger	Commissioner
John Tuma	Commissioner

In the Matter of a Commission Inquiry into
the Service Quality, Customer Service, and
Billing Practices of Frontier Communications

Docket No. P407, 405/CI-18-122

**COMMENTS OF
FRONTIER COMMUNICATIONS OF MINNESOTA, INC. AND
CITIZENS TELECOMMUNICATIONS COMPANY OF MINNESOTA, LLC**

Frontier Communications of Minnesota, Inc. and Citizens Telecommunications Company of Minnesota, LLC (“Frontier”) submit these Comments in response to the August 7, 2019 Notice of Comment Period on Settlement (“Notice”).¹

The Notice invited comments on the following topics.

1. Should the Commission approve, modify, or reject the Proposed Stipulation of Settlement between the Minnesota Department of Commerce (“Department”) and [Frontier] filed on August 2, 2019?
2. What actions, if any, should the Commission take on the issues raised, but not resolved, in the Proposed Stipulation of Settlement?
3. What actions should the Commission take in response to the comments filed by the Office of the Attorney General – Residential Utilities and Antitrust Division (OAG) and the comments filed by the Department on August 2, 2019?
4. Are there other issues or concerns related to this matter?

¹ In the Matter of a Commission Inquiry into the Service Quality, Customer Service, and Billing Practices of Frontier Communications, Docket No. P407, 405/CI-18-122, Notice of Comment Period on Settlement (Aug. 7, 2019).

As explained below, Frontier submits that: (1) the Commission should approve the Proposed Stipulation of Settlement (“Proposed Settlement”) without modification; (2) the Commission should take no action as to issues raised, but not resolved, in the Proposed Settlement; (3) no Commission action is needed in response to the August 2, 2019 Comments filed by the OAG and Department; and (4) there are no other actions or concerns that require action by the Commission at this time.

1. The Commission should approve the Proposed Settlement without modification.

The August 2, 2019 Statement in Support of Proposed Stipulation of Settlement by Administrative Law Judge Jeffrey Oxley (“ALJ Statement”) demonstrates that the Proposed Settlement should be approved. Frontier fully supports the ALJ’s conclusions and recommendations. Frontier provides the following brief comments to focus on a few significant elements of the Proposed Settlement.

The ALJ Statement expressed the ALJ’s support for the Proposed Settlement and noted that “the sooner the Commission reviews and approves the proposal, the better for Frontier’s customers.”² Frontier agrees with the ALJ’s assessment.

The ALJ Statement also summarized the basis for concluding that the Proposed Settlement is reasonable and in the public interest, which is the standard for acceptance under Minn. Stat. § 237.076. The ALJ Statement recognized that: “The [Proposed Settlement] covers an extraordinarily wide range of specific commitments by Frontier.”³

That extraordinarily wide range of commitments include terms that address both the past issues and the future compliance. The ALJ Statement further notes that the terms of the Proposed Settlement:

² ALJ Statement at 7.

³ ALJ Statement at 6.

(1) provide Frontier's customers with remedies for inadequate telephone service they experienced under the most recent AFORs commenced ... and for one remedy for claims of inadequate telephone service arising since January 1, 2017, which are not contemplated by the AFORs but are instead set out in Minnesota rules;

(2) provide specific remedies for poor service until the conclusion of the Stipulation of Settlement's term; and

(3) establish detailed and comprehensive reporting requirements and performance standards to provide improved visibility into Frontier's telephone service quality and ensure good service quality going forward. For these reasons, the Stipulation of Settlement is reasonable and in the public interest.⁴

The Proposed Settlement reflects a pattern of assigning implementation to Frontier, with the Department providing supervision, and the Commission retaining authority to determine unresolved issues. This pattern applies to resolution of individual customer claims and steps being taken to improve service.

The Proposed Settlement includes specific terms that allow individual customers to file claims to address past service concerns pertaining to telephone service. These claims will be addressed by Frontier under supervision of the Department, with mediation of any unresolved claims, and the Commission retaining authority over the resolution of such claims.⁵

The Proposed Settlement calls for multiple periodic reports specifically addressing a number of service quality metrics regarding Frontier's telephone service.⁶ Complete transparency is provided by submission of reports using the eFiling system.⁷ The Department will provide initial review of reports, with Frontier having an opportunity to make revisions in response to any concerns raised by the Department. If Frontier and the Department cannot resolve differences, the Commission would determine the outcome.⁸

⁴ ALJ Statement at 7.

⁵ Proposed Settlement at 5-8.

⁶ Proposed Settlement at 8.

⁷ Proposed Settlement at 1, Section I.B.

⁸ Proposed Settlement at 1, Section I.B.

The Proposed Settlement also calls for Frontier to develop and file several plans addressing aspects of its operational procedures.⁹ Complete transparency is also provided regarding plans by requiring submission using the eFiling system.¹⁰ Plans are also subject to Department review, with submission of unresolved issues to the Commission, including comments and replies, and Commission resolution of unresolved issues.¹¹ These features provide transparency, the opportunity for stakeholders to comment, and final resolution by the Commission.

The ALJ Statement also recognized that the alternative to the Proposed Settlement was a contested case and that resources were better directed to improving service than to litigation:

The alternative to the [Proposed Settlement] is a contested case. In my view, the parties' resources are better directed to implementing the [Proposed Settlement, thereby providing customer remedies and improving service, than to litigating. A contested case would undoubtedly be a prolonged and expensive undertaking.¹²

Frontier also agrees with the ALJ that the Proposed Settlement is far preferable to a contested case.

As noted in the ALJ Statement, this settlement is the result of extensive and focused efforts by Frontier and the Department to address a very wide range of issues and reach workable resolutions.¹³ Frontier believes that the Proposed Settlement is unique in terms of its scope and detail. These features weigh against any modifications. While the Proposed Settlement allows any party to withdraw if the Commission does make modifications,¹⁴ the scope, detail, and likely consumer benefits of the Proposed Settlement make modifications unnecessary.

For these reasons, Frontier agrees with the ALJ Statement that the Proposed Settlement should be accepted by the Commission.

⁹ Proposed Settlement at 8-11.

¹⁰ Proposed Settlement at 2, Section I.C.

¹¹ Proposed Settlement at 2, Section I.C.

¹² ALJ Statement at 7.

¹³ ALJ Statement at 6.

¹⁴ Proposed Settlement at 27.

2. The Commission should take no action with respect to issues raised, but not resolved, in the Proposed Settlement.

Frontier believes that it would be premature for Commission to take any action with respect to the issues that were reserved in the Proposed Settlement because no basis for any action has been presented as to any of those issues.

Frontier intends to continue to cooperate with any further investigation by the Department, although Frontier does not believe that there is any basis for Commission action on any of these issues. Frontier believes that it is essential that any further investigation by the Department not divert effort or attention from accomplishing the many substantial customer benefits in the Proposed Settlement. In order to preserve those benefits and limit confusion between issues, Frontier submits that any Department claims in regards to any of the specific issues that was reserved be handled in separate dockets.

In addition, as explained in prior comments, Frontier's position is that the Commission's authority over intrastate telephone services does not extend to regulation of access to the internet.¹⁵ Frontier maintains that position, but believes that it is unnecessary at this time to further restate that position in relation to matters excluded from the Proposed Settlement.¹⁶ Frontier also believes that prematurely anticipating issues relating to those matters could divert attention from the Proposed Settlement.

3. The Commission should take no action with respect to issues raised in the Comments of the Department and OAG.

Frontier submits that no action is necessary or appropriate with respect to the Comments of either the OAG or Department.

¹⁵ Frontier March 5, 2019 Response to the Report of the Department of Commerce at 35-37; 69-70.

¹⁶ Proposed Settlement at 22, Issues T, W, and X.

While Frontier disagrees with a number of the factual and legal claims in the Department Comments, Frontier will not address those claims further at this time because doing so would be very premature and could inadvertently divert attention from accomplishing the many substantial consumer benefits that will result from the Commission approving the Proposed Settlement.

Frontier agrees with OAG's recommendation that the Commission should take no action in regards to the pending OAG investigation regarding consumer protection concerns.¹⁷ Frontier also agrees with OAG that a formal transfer of complaints is not necessary or appropriate.¹⁸ The significance of any complaints to the OAG investigation will further be determined in any proceeding arising from that investigation.

4. There are no other issues or concerns relating to the Proposed Settlement.

Frontier submits that no other issues or concerns need to be addressed at this time.

¹⁷ Comments of the Office of the Attorney General (Aug. 2, 2019) at 2.

¹⁸ Comments of the Office of the Attorney General at 4.

Dated: August 21, 2019

RESPECTFULLY SUBMITTED,

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