

***The following summarizes CWA's webinar on Frontier Communications (2/20/20), which presented the union's view of the necessary steps Frontier must take to become a healthy company - both in terms of operations and the company's plans for reorganization under chapter 11.***

### **Background on CWA & Frontier Communications**

CWA is the largest telecommunications union in the country with hundreds of thousands of members at AT&T, Verizon, CenturyLink, Frontier and a range of smaller telecom employers. CWA is the largest union representative at Frontier, with 8,500 represented employees across 18 states.

Over the past ten years, as Frontier has taken on enormous debt to purchase CWA-represented units at AT&T and Verizon, CWA's membership and elected leaders have become increasingly concerned about the deteriorating performance of the company.

CWA supported those acquisitions at federal and state regulatory agencies based on management commitments to invest in service, protect jobs, and use their expertise in rural telecom to grow the business. However, Frontier management has failed to live up to those commitments.

#### *Problems at Frontier*

- Unmanageable Debt
- Falling Revenues and Eroding Subscriber Base
- State Regulatory Investigations
- Failure to Meet CAF Deployment Milestone

#### *Frontier Employees' Survey Results on Service Quality Issues*

In 2019, CWA conducted a survey of members at Frontier in eight states on service quality. Over 95% of both technicians and customer service representatives reported that Frontier service was "Terrible / Poor" or "Needs Improvement."

- Management Decisions Hurting Service: 81% of technicians who characterized Frontier service as "Needs Improvement" or worse cited company policies prioritizing quick fixes over doing the job right as an explanation for poor service.
- Technicians Report Practices Leading to Poor Service: CWA Technicians reported decisions by Frontier to neglect repairs as being common throughout the country, leading to outages and bad connections.

**CWA's Financial Recommendation for Frontier**: CWA explored a simplified model testing the potential impacts of 30% and 80% equitization of the company's \$11.7 billion in unsecured debt. Based on this analysis, CWA believes strongly that an equitization of 80% is the minimum amount that unsecured creditors must accept. This is the best approach to enable Frontier to come back from its current deficit of investment and develop a sustainable business model.

#### *Frontier's opportunities for investment*

- Remediate neglected operations
- Increase capital expenditures, including laying new fiber
- Meet CAF benchmarks
- Expand into new markets and technologies

**CWA's Work On Broadband Policy Can Help Frontier:** CWA has been and remains a leader in shaping broadband policy and advocating for federal infrastructure to include robust funding to incentivize broadband deployment. CWA has years of expertise and can draw on the insights of our membership and leaders to help build Frontier.

*CWA's leadership on broadband policy*

- LIFT Act
- House Majority Task-force on Rural Broadband
- Connect America Fund
- Rural Digital Opportunity Fund