Calif. counters FCC attack on DEI with conditions on Verizon/Frontier merger

Verizon has received all approvals it needs for a $9.6 billion acquisition of Frontier Communications, an Internet service provider with about 3.3 million broadband customers in 25 states. Verizon said it expects to complete the merger on January 20.

The last approval came from the California Public Utilities Commission (CPUC), which allowed the deal in a 5–0 vote yesterday. There were months of negotiations that resulted in requirements to deploy more fiber and wireless infrastructure, offer $20-per-month Internet service to people with low incomes for the next decade, and other commitments, including some designed to replace the DEI (diversity, equity, and inclusion) policies that Verizon had to end because of demands by the Trump administration.

“The approval follows extensive public participation, testimony from multiple parties, and negotiated settlement agreements with consumer advocates and labor organizations,” the CPUC said yesterday.

Verizon struck the merger deal with Frontier in September 2024, agreeing to pay $9.6 billion in cash and assume over $10 billion in debt held by Frontier. The all-cash transaction is valued at $20 billion including debt. Verizon said yesterday that the merged firm “will have an expanded reach of almost 30 million fiber passings across 31 states and Washington, DC.”

Verizon to expand network, maintain low-income plans

Verizon’s interest in its home Internet business has waxed and waned over the years, but the company seems pretty committed to fiber and fixed wireless home Internet these days. Part of the deal involves Verizon buying back a former portion of its network that it sold to Frontier almost 10 years ago. In 2016, Frontier bought Verizon’s FiOS and DSL operations in Florida, California, and Texas.

At yesterday’s CPUC meeting, Commissioner John Reynolds described Verizon’s commitments. Verizon will deploy fiber to 75,000 new locations within five years, prioritizing census blocks with income at or below 90 percent of the county median, he said. For wireless service, Verizon is required to deploy 250 new cell sites with 5G and fixed wireless capability in areas eligible for state broadband grants and areas with high fire threats, he said.

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