

## VERIZON/FRONTIER MERGER

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

Verizon touts “expanded reach of almost 30 million fiber passings” across US.

JON BRODKIN – JAN 16, 2026 11:12 AM | 35



A Verizon store in New York on January 15, 2024. Credit: Getty Images | Bloomberg

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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.

Within seven years, Verizon is required to offer service with 100Mbps download speeds and 20Mbps upload speeds to 88 wire centers that serve rural and lower-income customers, Reynolds said. Verizon must meet interim deadlines toward this goal after three and five years.

A low-cost Internet plan commitment centers on the Verizon Forward service that offers home Internet for as low as \$20 a month. Reynolds said the deal with Verizon “locked in” the \$20-per-month plans for low-income consumers for the next 10 years. As we previously reported, the \$20 plans can be fiber with symmetrical speeds of 300Mbps or fixed wireless with download speeds of 100Mbps and upload speeds of 20Mbps.

Verizon committed to an audit of Frontier’s fiber and copper networks and to bringing the networks up to the CPUC’s wireline service quality standards, the commission said. This could help improve reliability in Frontier areas that have only copper service. For customers who are upgraded from copper to fiber, Verizon must offer a 24-hour battery backup unit at no charge and a free 72-hour backup in areas with high fire threats.

## **California counters FCC attack on DEI**

California was more interested in extracting consumer-focused commitments from Verizon than the Federal Communications Commission was. FCC Chairman Brendan Carr’s chief demand of companies seeking merger approval is to eliminate DEI initiatives that he calls “invidious forms of discrimination.” The FCC approved the Verizon/Frontier merger in May 2025, one day after Verizon committed to end DEI policies related to hiring and supplier diversity.

Reynolds said the FCC is attempting “to remake society by withholding regulatory approvals to tear down programs meant to support our communities,” and that California regulators have “refused to let this FCC chair’s coercion pass without scrutiny.”

Verizon agreed to give \$40 million to the California Emerging Technology Fund for digital literacy programs, and \$10 million to California universities for a workforce development program. The CPUC decision said Verizon “shall establish a recruiting pipeline from California State Universities and California community colleges, aiming to recruit from underrepresented populations in consultation with the Commission’s ESJ [Environmental and Social Justice] Working Group, for both Verizon and Frontier’s workforce, and the workforce of supplier companies working with Verizon and Frontier.”

The CPUC required quarterly employee satisfaction surveys with questions on belonging and inclusion, broken out by demographic characteristics, and annual transparency reports showing the effects of policy changes on workforce and supplier diversity, Reynolds said.

“We couldn’t mandate that Verizon restore its former programs, but we could build accountability mechanisms and require investment in California and our diverse communities,” Reynolds said. Verizon also must maintain its [“Small Business Supplier Accelerator”](#) program with spending of at least \$500 million to support California small businesses over five years.

## Groups praise state for resisting Trump

Several advocacy groups issued a press release praising the CPUC for obtaining “an agreement that directly puts funds into the pockets of minority-owned supply chains across the state.”

“California has shown that states can stand up for workers and consumers and resist Trump’s efforts to undermine employees’ and customers’ rights,” said Lisa Graves, founder and executive director of [True North Research](#). “More states and companies should follow suit to show they won’t be bullied into abandoning equal opportunity.”

There are also commitments related to union jobs and infrastructure in tribal areas. Verizon committed to hire 600 new union employees over six years and provide layoff protection to existing union employees for 48 months. Verizon is required to provide tribes with maps of infrastructure in and around ancestral territories and give tribes a right of first offer when Frontier disposes of real property in those areas.

To enforce the conditions, Verizon will put up \$150 million in performance bonds, and the CPUC will have an enforcement program with citation authority for violations. An independent compliance monitor, paid for by Verizon but hired by the commission, will report annually on Verizon’s compliance with commitments, Reynolds said.



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