



February 11, 2019

8840 SW Burnham
Street
Tigard, Oregon 97223
(503) 431-0458
jessica.epley@ftr.com

Via Electronic Filing

Oregon Public Utilities Commission
201 High Street NE, Suite 100
Salem, OR 97301-3398

**Advice Letter No. 1068 for Frontier Communications Northwest Inc
Oregon Public Utilities Commission No. 18 Tariff**

Dear Commissioners,

Please find attached for electronic filing the following revisions to the Frontier Communications Northwest, Inc (Frontier) Network Access Service Tariff Oregon Public Utilities Commission No. 18. The revisions are being submitted with a proposed effective date of March 13, 2019.

This filing adds terms to describe the Company's process for establishing a residential customer's identification authentication in accordance with applications for service and utilizing a system of consumer credit scoring to determine applicability of deposit requirements. Frontier applies these processes to protect potential and existing customers from identity fraud as required by Federal Regulation.

Frontier requests that the Commission approve these terms as compliant with Oregon Administrative Rules (OAR) 860-021-0009(1) states, in part, that "An application for service must be made...". OAR 860-021-0009(3) allows large telecommunications utilities to require applicants to furnish their name and identifying information in applying for service. Additionally, Frontier requests that the Commission approve these terms as compliant with OAR 860-021-0200(1)(b), which requires Commission approval for the use of a credit scoring system by a large telecommunications utility.

Alternatively, pursuant to OAR 860-021-0005, Frontier respectfully requests that the Commission waive, to the extent necessary, the approval requirements of OAR 860-021-0200(1)(b). OAR 860-021-0005 provides: "Upon request or its own motion, the Commission may waive any of the Division 021 rules for good cause shown. A request for waiver must be made in writing, unless otherwise allowed by the Commission." Please consider this Advice such written request. A discussion of the good cause for which the Company makes this request follows.

Frontier follows the 2003 Fair and Accurate Credit Transaction Act adopted and amended in CFR § 162.30 in the verification, collection and use of consumer credit information. As prescribed under Appendix B, Frontier has established a process compliant with the Detecting Red Flags requirement of the Identity Theft Prevention Program. Accordingly, all applicant's identifying information is authenticated through a third-party vendor, Equifax. In 2018, 95% of all applications for service were authenticated through this process. In the rare instance when authentication cannot be made, Frontier provides two additional avenues to provide authentication prior to seeking relief under OAR 860-021-0009(5). Customers have the option to present their application for service with two forms of identification to a Frontier retail store, located in Coos Bay or La Grande. Alternatively, customers may have their application notarized. Frontier offers these options as a convenience to our customers to expedite their application process.

In addition to providing identity authentication services, Equifax administers Frontier's credit scoring system using a three-tier review process that creates a consistent method for assessing the level of potential risk an applicant poses and set deposits equitably. This credit scoring system is not used to deny service. The first tier consists of review of Frontier or affiliated company payment history. The second tier consists of review of National Consumer Telecom and Utilities Exchange members payment history. The third tier is a proprietary model known as the Equifax Telecommunications Risk Score which evaluates consumer credit data and telecommunications industry data. Applicant credit scoring uses the lowest tier review possible to verify the appropriate deposit required. Neither Frontier, nor its vendor, publicly release the specific attributes utilized in the credit scoring model or the weightings that are assigned to each of the selected attributes. Similarly, credit bureaus and other providers of credit scores such as FICO and VantageScore do not make public the specific credit data attributes and credit scoring model calculations used to develop a credit score.

Frontier uses the same credit scoring process in all states where it operates as an ILEC and none of them regulate the use of credit scoring. If Frontier were required to utilize a different process in Oregon, it would create additional costs for the Company and possibly lead to a less than efficient process for signing up new customers for service. Such an ad hoc process may also constitute discrimination when compared to the level of scrutiny and control over Frontier's competitors.

If the Commission had to approve changes to the credit scoring model, Frontier would incur substantial costs as the model is proprietary and owned by Equifax. Frontier would be forced to find a new vendor resulting in impacts across our operating territory, develop its own credit scoring model using less robust information, or some combination of the two. Frontier is in vigorous competition with many other carriers (wireless, cable, VoIP, fixed wireless, satellite) to gain and retain customers. However, all those competitors have the freedom to determine the best method for assessing a customer's credit worthiness and protecting themselves from credit risk and they use credit scoring models to accomplish this objective.

Please feel free to contact me with any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "JEpley", written in a cursive style.

Jessica Epley
Government & External Affairs Manager

Section III

1st Revised Sheet 1
Canceling
Original Sheet 1

GENERAL REGULATIONS

APPLICATION OF REGULATIONS

The regulations set forth herein apply to intrastate services and facilities furnished within the State of Oregon by Frontier Communications Northwest inc., hereinafter referred to as the Company, subject to the jurisdiction of the Public Utility Commission of Oregon.

No officer, employee, or agent of the Company has authority to change, amend, or waive any rate or regulation approved or prescribed by the Commission. Rates and regulations may be changed or canceled only with the consent or approval of the Commission.

The Company furnishes exchange, toll, and private line service throughout the territory it serves, as shown by its filed rates, regulations, and maps. The Company also furnishes toll service to the territory served by connecting companies subject to their rates and regulations.

ESTABLISHMENT AND FURNISHING OF SERVICES

Application For Service

The Company may require an applicant to sign an application form furnished by the Company and to establish his credit as provided in these Regulations before the establishment of service.

The Company will accept oral or written application from a customer for additions to or changes in the existing service of such customer.

An application is merely a request for service and does not in itself bind the Company to serve except under reasonable conditions, nor does it bind the applicant to take service. The Company may refuse to accept an application for service if the service is not to be established within a reasonable time.

A written application requires two forms of identification, one must be a government issued picture ID. Acceptable identification: Social Security Card, Driver's License or State/Government issued pictured ID, Birth Certificate, or Other form of ID acceptable to Company to establish an applicant's identification. This requirement is in accordance with 2003 Fair and Accurate Credit Transaction Act Red Flag Rules.

In the rare instance an applicant is unable to provide identification information on an existing account with the Company, or a new applicant cannot be identified through a third party verification process as outlined under Deposits, the applicant will be required to provide positive identification by submitting to the Company a notarized written application or bringing a non-notarized written application to a Company retail center location.

The notarized application and copies of the identifications presented to the Notary Public can be mailed or faxed to the Company. A non-notarized application and identifications can be brought to a Company retail center.

(N)
|
(N)

Section III

1st Revised Sheet 3
Canceling
Original Sheet 3

GENERAL REGULATIONS

ESTABLISHMENT AND FURNISHING OF SERVICES (Continued)

Advance Payments

At the time an application for service is made, an applicant may be required to pay an amount equal to at least one month's local service rate plus installation charges that may be applicable in addition to such special construction charges as are to be borne by the applicant.

Federal, State, or Municipal governmental agencies may not be required to make advance payments.

Deposits

Regulations involving Deposits are included in Sub-chapters 860-21-200, 860-21-206, 860-21-210, and 860-34-160 of the Oregon Administrative Rules (OAR). The text of the OAR is available for customer inspection upon request.

Third party credit check processes that calculate an applicant's telecommunications risk score may be utilized to determine deposit requirements. The telecommunications risk score predicts an applicant's credit risk by applying a model that includes, consumer credit data, telecommunications industry data, and proven analytics.

(N)

A hierarchy credit verification approach is applied to applicants. First, Company or affiliated company payment history; second, National Consumer Telecom and Utilities Exchange members payment history; third, third party model applied that includes financial institution information and telecommunications risk score.

Applicants are informed when a credit check is performed.

(N)

An annual percentage rate as determined by the Commission will apply on deposits.

In those instances where the Company requires a deposit, the deposit shall be one-sixth of the estimated annual billings.