

Verizon is buying Frontier in \$20B deal to strengthen its fiber network

September 5 2024, by Michelle Chapman



A Verizon retail location is shown in Willow Grove, Pa., Thursday, Feb. 22, 2024. Verizon is buying Frontier Communications in a \$20 billion deal that helps bolster its fiber network. Credit: AP Photo/Matt Rourke, File

Verizon is buying Frontier Communications in a \$20 billion deal to

strengthen its fiber network.

Verizon Communications Inc. said Thursday that the acquisition will also shore up its foray into [artificial intelligence](#) as well as connected smart devices.

Frontier has concentrated heavily on its fiber network capabilities over about four years, investing \$4.1 billion upgrading and expanding its fiber network. It now gets more than half of its revenue from fiber products.

The price tag for Frontier, based in Dallas, is sizeable given its 2.2 million fiber subscribers across 25 states. Verizon has approximately 7.4 million Fios connections in nine states and Washington, D.C.

Frontier has 7.2 million fiber locations and has plans to build out an additional 2.8 million fiber locations by the end of 2026.

"The acquisition of Frontier is a strategic fit," Verizon Chairman and CEO Hans Vestberg said in a prepared statement. "It will build on Verizon's two decades of leadership at the forefront of fiber and is an opportunity to become more competitive in more markets throughout the United States, enhancing our ability to deliver premium offerings to millions more customers across a combined [fiber network](#)."

There are skeptics of the potential for Verizon's \$20 billion acquisition, however.

"The real issue is simply that Frontier's paltry 3.5% national fiber coverage (again, according to the FCC's broadband map as of end of 2023) would leave Verizon with a combined fiber footprint that still covers less than 13% of the country, with a path to potentially take that only to about 17% of the country," Craig Moffett of MoffettNathanson Research wrote. "A fiber footprint covering 17% of the U.S. is nowhere

near large enough to be the basis of a strategy for a national wireless operator."

Verizon, based in New York City, will pay \$38.50 for each Frontier share. The deal is expected to close in about 18 months. It still needs approval from Frontier shareholders.

Shares of Frontier Communications Parents Inc., which were halted briefly on Wednesday after a report from the Wall Street Journal about the deal sent the stock up nearly 40%, fell 9% Thursday. Verizon's stock dipped slightly.

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Citation: Verizon is buying Frontier in \$20B deal to strengthen its fiber network (2024, September 5) retrieved 5 September 2024 from <https://techxplore.com/news/2024-09-verizon-buying-frontier-20b-fiber.html>

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