AT&T Selling CT Wireline Ops for $2B

Associated Press

Dallas (AP) — AT&T has agreed to sell its Connecticut wireline operations to Frontier Communications Corp. for $2 billion as it continues its transition to unwired operations and a cloud network.

Shares of both companies rose in Tuesday premarket trading.

The deal includes wireline network assets and consumer, business and wholesale customer relationships. Frontier said that it will also acquire AT&T's U-verse video and satellite TV customers in Connecticut.

AT&T will receive the $2 billion in cash for its subsidiaries The Southern New England Telephone Co. and SNET America Inc. About 2,700 wireline workers that support AT&T's Connecticut operations will transfer to Frontier when the transaction closes. Frontier currently has more than 200 employees at its headquarters in Stamford, Conn.

The deal gives Frontier the ability to provide communications service to Connecticut customers. It will operate in 28 states once the transaction is complete.

AT&T Inc. said Tuesday that it is still committed to having a significant presence in Connecticut. The company said that the operations it is selling comprise about $1.2 billion of its annual revenue, or less than 1 percent of its total annual revenue as of this year. AT&T said that the deal won't impact its 2013 financial results.

The transaction is subject to review by the U.S. Department of Justice, the Federal Communications Commission and the Connecticut Public Utilities Regulatory Authority and other state regulatory authorities. It is expected to close in the second half of 2014.

Frontier's stock jumped 73 cents, or 16.6 percent, to $5.13 in premarket trading while shares of AT&T added 13 cents to $34.28.

Source URL (retrieved on *03/11/2014 - 2:59am*):
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