FRONTIER COMMUNICATIONS CORP
Form DEF 14A
April 06, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant S
Filed by a Party other than the Registrant £
Check the appropriate box: £

£ Preliminary Proxy Statement	£ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
S Definitive Proxy Statement	
£ Definitive Additional Materials	
£ Soliciting Material Under Rule 14a-12	

FRONTIER COMMUNICATIONS CORPORATION
(Name of Registrant as Specified in Its Charter)

-
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

S No fee required.

£ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

-

(2) Aggregate number of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(5) Total fee paid:

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£ Fee paid previously with preliminary materials.

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(1) Amount previously paid:

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(2) Form, Schedule or Registration Statement No.:

-

(3) Filing Party:

-

(4) Date Filed:

-

Three High Ridge Park, Stamford, CT 06905
(203) 614-5600

April 6, 2009

Dear Fellow Stockholder:

On behalf of the board of directors of Frontier Communications Corporation, I am pleased to invite you to attend our 2009 Annual Meeting of Stockholders. The meeting will be held at our offices located at Three High Ridge Park, Stamford, Connecticut 06905, on Thursday, May 14, 2009 at 10:00 a.m., Eastern Daylight Savings Time.

At this meeting, you will be asked:

- To elect 12 directors;
- To adopt the 2009 Equity Incentive Plan;
- To consider and vote upon a stockholder proposal, if presented at the meeting;
- To ratify the selection of KPMG LLP as our independent registered public accounting firm for 2009; and
- To transact any other business that may properly be brought before the meeting or any adjournment

or
postponement
of the
meeting.

It is important that your shares be represented, whether or not you attend the meeting. In order to ensure that you will be represented, we ask that you sign, date and return the enclosed proxy card. You may also vote your shares via the Internet or by telephone. Information regarding voting by mail, the Internet or telephone is included on the proxy card instructions. If present, you may revoke your proxy and vote in person.

Attendance at the meeting will be limited to stockholders as of the record date, or their authorized representatives, and our guests. If you are planning to attend the meeting please mark the appropriate box on the proxy card.

We look forward to seeing you at the meeting.

Cordially,

Mary Agnes Wilderotter
Chairman of the Board of Directors,
President and Chief Executive Officer

Three High Ridge Park, Stamford, CT 06905
(203) 614-5600

April 6, 2009

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held May 14, 2009

To the Stockholders of
FRONTIER COMMUNICATIONS CORPORATION:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of Frontier Communications Corporation will be held at the company s offices, Three High Ridge Park, Stamford, Connecticut 06905, on Thursday, May 14, 2009, at 10:00 a.m., Eastern Daylight Savings Time, for the following purposes:

To elect 12 directors;

To adopt the 2009 Equity Incentive Plan;

To consider and vote upon a stockholder proposal, if presented at the meeting;

To ratify the selection of KPMG LLP as our independent registered public accounting firm for 2009; and

To transact any other business that may properly be brought before the meeting or

any
adjournment
or
postponement
of the
meeting.

The board of directors fixed the close of business on March 18, 2009 as the record date for determining stockholders entitled to notice of and to vote at the meeting or any adjournment or postponement of the meeting. At the close of business on March 18, 2009, there were 312,302,033 shares of our common stock entitled to vote at the meeting.

A complete list of stockholders entitled to vote at the meeting will be open to the examination of stockholders on the meeting date and for a period of ten days prior to the meeting at our offices at Three High Ridge Park, Stamford, Connecticut 06905, during ordinary business hours.

By Order of the Board of Directors

Hilary E. Glassman
Senior Vice President, General Counsel and Secretary

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be held on May 14, 2009

Our proxy statement is attached. Financial and other information concerning our company is contained in our Annual Report for the fiscal year ended December 31, 2008. Pursuant to rules promulgated by the Securities and Exchange Commission (SEC), we have elected to provide access to our proxy materials both by sending you this full set of proxy materials, including a proxy card, and by notifying you of the availability of our proxy materials on the Internet. This proxy statement and our 2008 Annual Report are available on our website at *www.frontier.com*. Additionally, and in accordance with SEC rules, you may access our proxy statement at *www.proxyvote.com*, which does not have cookies that identify visitors to the site.

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FRONTIER COMMUNICATIONS CORPORATION
Three High Ridge Park
Stamford, Connecticut 06905

PROXY STATEMENT

2009 Annual Meeting of Stockholders

THE MEETING

Introduction

This proxy statement is being furnished to the stockholders of Frontier Communications Corporation, a Delaware corporation, in connection with the solicitation of proxies by our board of directors for use at our 2009 annual meeting of stockholders and at any adjournments thereof.

This proxy statement and the accompanying form of proxy are first being sent to holders of our common stock on or about April 6, 2009.

Date, Time and Place

The meeting will be held on May 14, 2009, at 10:00 a.m., Eastern Daylight Savings Time, at our offices located at Three High Ridge Park, Stamford, Connecticut 06905.

Matters to be Considered

At the meeting, stockholders will be asked to elect 12 directors, to adopt the 2009 Equity Incentive Plan, to consider and vote upon a stockholder proposal, if presented, and to ratify the selection of our independent registered public accounting firm. See ELECTION OF DIRECTORS, PROPOSED 2009 EQUITY INCENTIVE PLAN, STOCKHOLDER PROPOSAL and RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM. The board of directors does not know of any matters to be brought before the meeting other than as set forth in the notice of meeting. If any other matters properly come before the meeting, the persons named in the enclosed form of proxy or their substitutes will vote in accordance with their best judgment on such matters.

Record Date; Shares Outstanding and Entitled to Vote; Quorum

Stockholders as of the record date, *i.e.*, the close of business on March 18, 2009, are entitled to notice of and to vote at the meeting. As of the record date, there were 312,302,033 shares of common stock outstanding and entitled to vote, with each share entitled to one vote. Holders of a majority of the outstanding shares entitled to vote must be present in person or represented by proxy in order for action to be taken at the meeting.

Required Votes

Election of Directors. Under our by-laws, the affirmative vote of the holders of a majority of the shares of common stock present or represented by proxy and entitled to vote at the meeting is required to elect each director. Consequently, only shares that are voted in favor of a particular nominee will be counted toward the nominee s achievement of a majority. Shares present at the meeting that are not voted for a particular nominee or shares present by proxy where the stockholder properly withholds authority to vote for the nominee will have the same effect as a vote against the nominee.

Under Delaware law, an incumbent director who fails to receive the required vote holds over, or continues to serve as a director until his or her successor is elected and qualified. To address this hold-over issue, we have adopted a policy under which, in non-contested elections, if a director fails to win a majority of affirmative votes for his or her election, the director must immediately tender his or her resignation from the board, and the board will decide, through a process managed by the Nominating and Corporate Governance Committee and excluding the nominee in question, whether to accept the resignation at its next regularly scheduled meeting.

Approval of the 2009 Equity Incentive Plan. Approval of the 2009 Equity Incentive Plan requires the affirmative vote of the holders of a majority of the common stock present or represented by proxy and entitled to vote at the meeting, provided that the total votes cast represent over 50% of all common stock entitled to vote on the proposal. Abstentions will have the same effect as a vote against approving the equity incentive plan, but will otherwise not be counted in determining the number of votes cast. Under the rules of the New York Stock Exchange (NYSE), brokers are not permitted to vote shares on this matter if they do not receive voting instructions from the beneficial owners of such shares. Such broker non-votes will be considered present for purposes of establishing a quorum, but will not be considered in determining the number of votes necessary for approval and will have no effect on the outcome of the vote on the plan.

Stockholder Proposal. Approval of the stockholder proposal requires the affirmative vote of the holders of a majority of the common stock present or represented by proxy and entitled to vote at the meeting. Abstentions will have the same effect as a vote against approving the stockholder proposal. Under the rules of the NYSE, brokers are not permitted to vote shares on this matter if they do not receive voting instructions from the beneficial owners of such shares. Such broker non-votes will be considered present for purposes of establishing a quorum, but will not be considered in determining the number of votes necessary for approval and will have no effect on the outcome of the vote on the stockholder proposal.

Selection of Auditors. The ratification of the selection of KPMG LLP as our independent registered public accounting firm is being submitted to stockholders because we believe that this action follows sound corporate practice and is in the best interests of the stockholders. If the stockholders do not ratify the selection by the affirmative vote of the holders of a majority of the common stock present or represented by proxy and entitled to vote at the meeting, the Audit Committee of the board of directors will reconsider the selection of the independent registered public accounting firm, but such a vote will not be binding on the Audit Committee. If the stockholders ratify the selection, the Audit Committee, in its discretion, may still direct the appointment of a new independent registered public accounting firm at any time during the year if they believe that this change would be in our and our stockholders best interests. Abstentions will have the same effect as a vote against ratification of the auditors.

Voting Recommendations

The board of directors recommends that you vote **FOR** each nominee for director named, **FOR** adoption of the 2009 Equity Incentive Plan, **AGAINST** the stockholder proposal and **FOR** ratification of the selection of our independent registered public accounting firm for 2009.

Voting and Revocation of Proxies

Stockholders are requested to vote by proxy in one of three ways:

Common stock represented by properly executed proxies, received by us or voted by telephone or via the Internet, which are not revoked will be voted at the meeting in accordance with the instructions contained therein. Subject to the broker non-vote rules discussed above under Required Votes, if instructions are not given, proxies will be voted **FOR** election of each nominee for director named, **FOR** adoption of the 2009 Equity Incentive Plan, **AGAINST** the stockholder proposal and **FOR** ratification of the selection of our independent registered public accounting firm.

Voting instructions, including instructions for both telephonic and Internet voting, are provided on the proxy card. The Internet and telephone voting procedures are designed to authenticate stockholder identities, to allow stockholders to give voting instructions and to confirm that stockholders instructions have been recorded properly. A control number, located on the proxy card, will identify stockholders and allow them to vote their shares and confirm that their voting instructions have been properly recorded. Stockholders voting via the Internet should understand that there may be costs associated with electronic access, such as usage charges from Internet access providers and telephone companies, which must be borne by the stockholder. If you do vote by Internet or telephone, it will not be necessary to return your proxy card.

If your shares are held in the name of a bank or broker, follow the voting instructions on the form you receive from your record holder. The availability of Internet and telephone voting will depend on their voting procedures.

If a stockholder neither returns a signed proxy card, votes by the Internet or by telephone, nor attends the meeting and votes in person, his or her shares will not be voted.

Any proxy signed and returned by a stockholder or voted by telephone or via the Internet may be revoked at any time before it is exercised by giving written notice of revocation to our Secretary, at our address set forth herein, by executing and delivering a later-dated proxy, either in writing, by telephone or via the Internet, or by voting in person at the meeting. Attendance at the meeting will not alone constitute revocation of a proxy.

Householding of Annual Report and Proxy Materials

We have adopted a procedure approved by the SEC called householding. Under this procedure, stockholders of record who have the same address and last name will receive only one copy of our Annual Report and proxy statement unless one or more of these stockholders notifies us that they wish to continue receiving individual copies. This procedure will reduce our printing costs and postage fees.

Stockholders who participate in householding will continue to receive separate proxy cards. Also, householding will not in any way affect dividend check mailings.

If you are eligible for householding, but you and other stockholders of record with whom you share an address currently receive multiple copies of the Annual Report and/or the proxy statement, or if you hold in more than one account, and in either case you wish to receive only a single copy of each of these documents for your household, please contact our transfer agent, Illinois Stock Transfer Company (in writing: 209 West Jackson Boulevard, Suite 903, Chicago, Illinois 60606-6905; by telephone: in the U.S., Puerto Rico and Canada, 1-800-757-5755; outside the U.S., Puerto Rico and Canada, 1-312-427-2953).

If we are householding materials to your address and you wish to receive a separate copy of the Annual Report or this proxy statement, or if you do not wish to participate in householding and prefer to receive separate copies of these documents in the future, please contact Illinois Stock Transfer as indicated above.

Beneficial stockholders can request information about householding from their banks, brokers or other holders of record.

Proxy Solicitation

We will bear the costs of solicitation of proxies for the meeting. In addition to solicitation by mail, directors, officers and our regular employees may solicit proxies from stockholders by telephone, personal interview or otherwise. These directors, officers and employees will not receive additional compensation, but may be reimbursed for out-of-pocket expenses in connection with this solicitation. In addition to solicitation by our directors, officers and employees, we have engaged The Proxy Advisory Group, LLC, a proxy solicitation agent, in connection with the solicitation of proxies for the meeting. We will bear the costs of the fees for the solicitation agent, which are not expected to exceed $35,000. Brokers, nominees, fiduciaries and other custodians have been requested to forward soliciting material to the beneficial owners of common stock held of record by them, and these custodians will be reimbursed for their reasonable expenses.

Independent Registered Public Accounting Firm

We have been advised that representatives of KPMG LLP, our independent registered public accounting firm for 2008, will attend the meeting, will have an opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions of stockholders.

Transfer Agent

Our transfer agent is Illinois Stock Transfer Company. You should contact the transfer agent, at the phone number or address listed below, if you have questions concerning stock certificates, dividend checks, transfer of ownership or other matters pertaining to your stock account.

Illinois Stock Transfer Company
209 West Jackson Boulevard, Suite 903
Chicago, IL 60606-6905
Telephone: (800) 757-5755 (in the U.S., Puerto Rico and Canada)
or (312) 427-2953 (outside the U.S., Puerto Rico and Canada)
Fax: (312) 427-2879

OWNERSHIP OF COMMON STOCK

Set forth below is certain information as of March 18, 2009 with respect to the beneficial ownership of our common stock (as determined under the rules of the SEC) by (1) each person who, to our knowledge, is the beneficial owner of more than 5% of our outstanding shares of common stock, which is our only class of voting securities, (2) each director and nominee for director, (3) each of the executive officers named in the Summary Compensation Table under Executive Compensation, and (4) all of our directors and executive officers as a group. Except as otherwise stated, the business address of each person listed is c/o Frontier Communications Corporation, Three High Ridge Park, Stamford, Connecticut 06905. Except as otherwise described below, each of the persons named in the table has sole voting and investment power with respect to the common stock beneficially owned and has not pledged such common stock as security for any obligations.

Name and Address of Beneficial Owner	Number of Shares and Nature of Beneficial Ownership		Percent of Class
Group consisting of: V. Prem Watsa, 1109519 Ontario Limited, The Sixty Two Investment Company Limited, 810679 Ontario Limited and Fairfax Financial Holdings Limited (a)	15,593,600		5.0 %
Kathleen Q. Abernathy	75,120	(b)	*
Leroy T. Barnes, Jr.	32,609	(c)	*
Peter C.B. Bynoe	32,862	(d)	*
Michael T. Dugan	21,475	(e)	*
Jeri B. Finard	65,674	(f)	*
Lawton Wehle Fitt	69,694	(g)	*
Peter B. Hayes	263,046	(h)	*
William M. Kraus	31,699	(i)	*
Daniel J. McCarthy	242,944	(j)	*
Cecilia K. McKenney	175,548	(k)	*
Howard L. Schrott	51,918	(l)	*
Larraine D. Segil	52,620	(m)	*
Donald R. Shassian	263,622	(n)	*
David H. Ward	41,778	(o)	*
Myron A. Wick, III	63,120	(p)	*
Mary Agnes Wilderotter	1,230,646	(q)	*
All directors and executive officers as a group (19 persons)	3,201,561	(r)	*

* Less than 1%.

(a) The business address of these beneficial owners is 95 Wellington Street West, Suite

800, Toronto, Ontario, Canada M5J 2N7, except for 1109519 Ontario Limited, whose business address is 1600 Cathedral Place, 925 West Georgia Street, Vancouver, British Columbia, Canada V6C 3L3. Based on a statement on Schedule 13G filed on February 17, 2009 by V. Prem Watsa, 1109519 Ontario Limited, The Sixty Two Investment Company Limited, 810679 Ontario Limited and Fairfax Financial Holdings Limited (Fairfax). Such Schedule 13G discloses that certain of the shares beneficially owned by the reporting persons are held by subsidiaries of Fairfax and by the pension plans of certain subsidiaries of Fairfax.

(b) Includes 10,000 shares that may be acquired upon the exercise of stock options as of March 18, 2009 or within 60 days thereafter. We refer to these stock options as currently exercisable. Also includes 41,045 shares that may be acquired upon the redemption of stock units. Directors may elect to redeem stock units upon termination of service in the form of cash or shares of our common stock. See Director Compensation Non-Employee Director Compensation Program below.

(c) Includes 10,000 shares that may be acquired upon the exercise of currently exercisable stock options and 20,609 shares that may be acquired upon the redemption of stock units.

(d) Includes 10,000 shares that may be acquired upon the exercise of currently exercisable stock options and 19,012 shares that may be acquired upon the redemption of stock units.

(e) Consists of 10,000 shares that may be acquired upon the exercise of currently exercisable stock options and 11,475 shares that may be acquired upon the redemption of stock units.

(f) Includes 10,000 shares that may be acquired upon the exercise of currently exercisable stock options and 50,174 shares that may be acquired upon the redemption of stock units.

(g) Consists of 10,000 shares that may be acquired upon the exercise of currently exercisable stock options and 59,694 shares that may be acquired upon the redemption of stock units.

(h)

Includes 106,312 restricted shares over which Mr. Hayes has sole voting power but no dispositive power and 101,734 shares held by a family trust.

(i) Includes 20,699 shares that may be acquired upon the redemption of stock units and 1,718 shares held in the William M. Kraus Trust.

(j) Includes 115,079 restricted shares over which Mr. McCarthy has sole voting power but no dispositive power and 10,356 shares held in a 401(k) plan.

(k) Includes 104,245 of

restricted shares over which Ms. McKenney has sole voting power but no dispositive power.

(l) Includes 5,000 shares that may be acquired upon the exercise of currently exercisable stock options and 41,918 shares that may be acquired upon the redemption of stock units.

(m) Includes 10,000 shares that may be acquired upon the exercise of currently exercisable stock options and 38,620 shares that may be acquired upon the redemption of stock units.

(n) Includes 212,503 of restricted shares over which Mr. Shassian has sole voting power but no dispositive power.

(o) Consists of 21,079 shares that may be acquired upon the exercise of currently exercisable stock options and 20,699 shares that may be acquired upon the redemption of stock units.

(p) Consists of 10,000 shares that may be acquired upon the exercise of currently exercisable stock options, 45,120 shares that may be acquired upon the redemption of stock units and 8,000 shares held in the Myron A. Wick, III Trust U/A/D 2/21/56.

(q) Includes 790,019 restricted shares over which Mrs. Wilderotter has sole voting power but no dispositive power and 425,627 shares held by a family trust.

(r) Includes 1,536,797 restricted shares over which executive officers have sole voting power but no dispositive power, 106,079 shares that may be acquired pursuant to the exercise of currently exercisable stock options by directors, 111,648 shares that may be acquired pursuant to the exercise of currently exercisable stock options by executive officers and 369,065 shares that may be acquired upon the redemption of stock units.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our directors and officers, and persons who beneficially own more than 10% of our common stock to file reports of ownership and changes in ownership with the SEC and the NYSE. Such directors, officers and greater than 10% stockholders are also required to furnish us with copies of all such filed reports.

Based solely upon a review of the copies of such reports furnished to us, or representations that no reports were required, we believe that during the year ended December 31, 2008, all persons subject to the reporting requirements of Section 16(a) filed the required reports on a timely basis.

ELECTION OF DIRECTORS
(Item 1 on the Proxy Card)

At the meeting, 12 directors are to be elected to serve until the next annual meeting or until their successors have been elected and qualified. All of the following nominees are currently serving as directors. Directors will be elected by a majority of the votes of the holders of shares of common stock present in person or represented by proxy at the meeting and entitled to vote at the meeting.

The persons named in the enclosed form of proxy have advised that, unless contrary instructions are received, they intend to vote **FOR** the 12 nominees named by the board of directors and listed on the following table. In case any of these nominees should become unavailable for any reason, the persons named in the enclosed form of proxy have advised that they will vote for such substitute nominees as the board of directors may propose.

Name and Present Position, if any, with the Company	Age, Period Served as Director, Other Business Experience during the Last Five Years and Family Relationships, if any
Kathleen Q. Abernathy	Ms. Abernathy, 52, has served as a Director since April 2006. Since October 2008, Ms. Abernathy has been a partner at the law firm of Wilkinson Barker Knauer, LLP. Prior to that time, she was a partner at the law firm of Akin Gump Strauss Hauer & Feld LLP from March 2006 to October 2008. From June 2001 to December 2005, she served as a Commissioner at the Federal Communications Commission. Prior to that time, she was Vice President, Public Policy at Broadband Office Communications, Inc., a provider of commercial communications services, from 2000 to 2001. Ms. Abernathy is a Director of Purple Communications, Inc.
Leroy T. Barnes, Jr.	Mr. Barnes, 57, has served as a Director since May 2005. Prior to his retirement, he was Vice President and Treasurer of PG&E Corp., a holding company for energy-based businesses, from 2001 to 2005 and Vice President and Treasurer of Gap Inc., a clothing retailer, from 1997 to 2001. Mr. Barnes is a Director of Herbalife International and The McClatchy Company.
Peter C.B. Bynoe	Mr. Bynoe, 58, has served as a Director since October 2007. Since January 2008, Mr. Bynoe has served as a Senior Counsel in the Chicago office of the international law firm DLA Piper US LLP. Since February 2008, he has been a Managing Director at Loop Capital Markets LLP. From March 1995 until December 2007, Mr. Bynoe was a senior Partner at DLA Piper US LLP and served on its Executive Committee. Prior to that, he managed Telemat Ltd., a business consulting firm that he founded in 1982. Mr. Bynoe is a Director of Covanta Holding Corporation.
Michael T. Dugan	Mr. Dugan, 60, has served as a Director since October 2006. Mr. Dugan has been a Senior Technical Advisor to EchoStar Corporation since January 2008, when EchoStar was spun-off from DISH Network Corporation. From May 2004 to December 2007, he served DISH Network alternately as Chief Technical Officer and Senior Technical Advisor from time to time. From April 2000 to May 2004, he was President and Chief Operating Officer of DISH Network. Prior to that time, Mr. Dugan held various positions with DISH Network and its subsidiaries commencing in 1990. Mr. Dugan is a Director of EchoStar Corporation.

Name and Present Position, if any, with the Company	Age, Period Served as Director, Other Business Experience during the Last Five Years and Family Relationships, if any
Jeri B. Finard	Ms. Finard, 49, has served as a Director since December 2005. Since December 2008, Ms. Finard has been Senior Vice President, Global Brand President of Avon Products, Inc., a global beauty products company. She was Executive Vice President and Chief Marketing Officer of Kraft Foods, Inc., a manufacturer and marketer of packaged foods and beverages, from April 2006 to May 2007. Prior to that time, Ms. Finard was Executive Vice President, Global Category Development of Kraft Foods, Inc. from April 2005 to April 2006, Group Vice President and President of N.A. Beverages Sector of Kraft Foods, Inc. from October 2004 to April 2005, Executive Vice President of Kraft Foods North America from 2000 to 2004 and General Manager of Kraft s Coffee Division in 2004 and of Kraft Food s Desserts Division from 2000 to 2003.
Lawton Wehle Fitt	Ms. Fitt, 55, has served as a Director since January 2005. Ms. Fitt has been a Senior Advisor to GSC Group, an alternative investment manager, since October 2006, and a Founding Partner of Circle Financial Group, LLC, an investment group, since February 2006. Prior to that time, she was Secretary (Chief Executive Officer) of the Royal Academy of Arts from October 2002 to March 2005 and a Partner and Managing Director of Goldman Sachs from 1994 to 2002. Ms. Fitt is a Director of Ciena Corporation, Thomson Reuters Corporation and Overture Acquisition Corp.
William M. Kraus	Mr. Kraus, 83, has served as a Director since July 2002. Prior to his retirement, Mr. Kraus was a Director of Century Communications Corp. and Centennial Cellular Corp. from 1985 to 1999.
Howard L. Schrott	Mr. Schrott, 54, has served as a Director since July 2005. Since February 2006, Mr. Schrott has been a Principal in Schrott Consulting, a division of AMMC, Inc., a management consulting firm, for which he also serves as Chief Financial Officer. Prior to that time, he was Chief Financial Officer of Liberty Corporation, a television broadcaster, from 2001 to February 2006.
Larraine D. Segil	Ms. Segil, 60, has served as a Director since March 2005. Ms. Segil has been Chief Executive Officer of Larraine Segil Inc. (formerly Larraine Segil Productions, Inc.), since 1987 and Co-Founder of The Lared Group, a business strategy consulting group, since 1987. She has also been a senior research fellow at the IC2 Institute at the University of Texas, Austin on strategy and alliances, since 1991, a member of the Entrepreneurs Board of Advisors for the UCLA Anderson School of Management since 1991 and a member of the board of LARTA, the Los Angeles Technology Alliance from 1994 to 2008. From 2003 until December 2006, Ms. Segil was a Partner of Vantage Partners, a business strategy consulting group.

Name and Present Position, if any, with the Company	**Age, Period Served as Director, Other Business Experience during the Last Five Years and Family Relationships, if any**
David H. Ward	Mr. Ward, 71, has served as a Director since May 2003. Mr. Ward has been Treasurer of Voltarc Technologies, Inc., a specialty lamp manufacturer, since 2007 and was Chief Financial Officer of Voltarc from 2001 to 2007. In October 2008, Voltarc filed a voluntary petition for relief under chapter 11 of the United States Bankruptcy Code. Mr. Ward has also been a Principal of Lighting Technologies Holdings, Inc. (successor to Innovative Technologies Group LLC), a holding company owning several lighting manufacturing companies, since 1999.
Myron A. Wick, III	Mr. Wick, 65, has served as a Director since March 2005. Mr. Wick has been Managing Director of McGettigan & Wick, Co., an investment banking firm, since 1988 and a Principal of Proactive Partners, L.P., a merchant banking fund, since 1989. He is also a Director of Tanknology, Inc. and Chairman of Horizon Fuel Cell Technology and The Hoffman Institute and a Trustee of St. Mark s School.
Mary Agnes Wilderotter, Chairman of the Board, President and Chief Executive Officer	Mrs. Wilderotter, 54, has served as a Director since September 2004. She has served as our President and Chief Executive Officer since November 2004 and as our Chairman of the Board since December 2005. Prior to joining our company, she was Senior Vice President World Wide Public Sector of Microsoft Corp. from February 2004 to November 2004 and Senior Vice President Worldwide Business Strategy of Microsoft Corp. from 2002 to 2004. From 1997 to 2002, she was President and Chief Executive Officer of Wink Communications, an interactive telecommunications and media company. Mrs. Wilderotter is a Director of Xerox Corporation and Yahoo!, Inc.

The board of directors recommends that you vote **FOR** the election of all nominees for director.

DIRECTOR COMPENSATION

The following table sets forth compensation information for 2008 for each person who served as a non-employee member of our board of directors during 2008. Mary Agnes Wilderotter, our Chairman, President and Chief Executive Officer, is not included in this table as she is an employee of the company and thus receives no compensation for her services as a director. The compensation received by Mrs. Wilderotter as an employee of the company is shown in the Summary Compensation Table elsewhere in this proxy statement.

2008 Director Compensation

Name	Fees Earned or Paid in Cash	Stock Awards (1)	All Other Compensation (2)	Total
Kathleen Q. Abernathy		$ 179,428		$ 179,428
Leroy T. Barnes, Jr.	$ 80,125	$ (3,957)		$ 76,168
Peter C.B. Bynoe		$ 114,840		$ 114,840
Michael T. Dugan	$ 68,000	$ 21,940		$ 89,940
Jeri B. Finard		$ 9,886		$ 9,886
Lawton Wehle Fitt		$ 209,535		$ 209,535
William M. Kraus	$ 70,812	$ 60,006		$ 130,818
Howard L. Schrott	$ 62,000	$ 4,476		$ 66,476
Larraine D. Segil	$ 37,000	$ 140,405		$ 177,405
Bradley E. Singer (3)	$ 7,000	$ 28,043	$342,415	$ 377,458
David H. Ward	$ 78,875	$ 60,004		$ 138,879
Myron A. Wick, III	$ 47,000	$ (523)		$ 46,477

(1) The amounts shown in this column represent the dollar amount recognized by us for stock unit grants to directors for financial statement reporting purposes with respect to 2008 in accordance with

Statement of Financial Accounting Standards No. 123R (FAS 123R). As such, these amounts may include amounts from awards granted in and prior to 2008. For a discussion of valuation assumptions, see Note 17 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2008. The dollar amount of dividends on stock units is reflected in such amounts. Dividends are paid on stock units held by directors at the same rate and at the same time as we pay dividends on shares of our common stock. No above-market or preferential dividends were paid with respect to any stock units. Dividends on stock units are paid in the form of additional stock units.

For directors who have elected to receive cash in settlement of their stock unit accounts upon termination of service, we revalue their stock units in accordance with FAS 123R on a quarterly basis to reflect the then current value of the units. Accordingly, the amounts shown in this column will differ from the grant date fair value shown below in footnote (2), which is fixed on the date of grant. Further, the grant date fair values shown below in footnote (2) include only grants made in 2008, whereas the amounts shown in the table above reflect amounts from grants made in other years as well.

The following table sets forth (a) the grant date fair value, pursuant to FAS 123R, of the stock units granted to directors in 2008, (b) the aggregate number of stock units held by directors at year-end and (c) the aggregate number of stock options held by directors at year-end.

Name	Grant Date Fair Value of Stock Unit Grants in 2008	Number of Stock Units Held at Year-End	Number of Stock Options Held at Year-End
Kathleen Q. Abernathy	$ 155,488	37,545	10,000
Leroy T. Barnes, Jr.	$ 43,820	17,109	10,000
Peter C.B. Bynoe	$ 148,876	15,512	10,000
Michael T. Dugan	$ 43,820	7,975	10,000
Jeri B. Finard	$ 131,965	45,234	10,000
Lawton Wehle Fitt	$ 172,829	54,754	10,000
William M. Kraus	$ 43,820	17,199	
Howard L. Schrott	$ 110,794	38,418	5,000

Name	Grant Date Fair Value of Stock Unit Grants in 2008	Number of Stock Units Held at Year-End	Number of Stock Options Held at Year-End
Larraine D. Segil	$ 110,794	33,680	10,000
Bradley E. Singer	$ 72,284		10,000
David H. Ward	$ 43,820	17,199	21,079
Myron A. Wick, III	$ 110,794	40,180	10,000

(2) The amount in this column represents the cash paid to Mr. Singer in settlement of his stock unit account upon his retirement from the board of directors. For a discussion of how this amount was determined, see Non-Employee Director Compensation Program below.

(3) Mr. Singer retired from the board of directors on May 14, 2008.

Non-Employee Director Compensation Program

Directors who are also our employees receive no remuneration for service as a member of our board of directors or any committee of the board. Each director who is not our employee is entitled to receive a retainer, which he or she has the option of receiving in the form of 5,760 stock units, as described below, or a cash payment of $40,000, in each case payable in advance in quarterly installments on the first business day of each quarter. Each director is required to irrevocably elect by December 31 of the prior year whether to receive his or her retainer in cash or in stock units. Each non-employee director receives a fee of $2,000, plus reasonable expenses, for each in-person meeting of the board of directors or committee of the board attended and $1,000 for each telephonic meeting of the board of directors or committee of the board attended, in each case payable in arrears on the last business day of each quarter. The Lead Director receives an additional annual stipend of $15,000, the chair of the Audit Committee receives an additional annual stipend of $25,000, the chair of the Compensation Committee receives an additional annual stipend of $15,000, the chair of the Nominating and Corporate Governance Committee receives an additional annual stipend of $7,500 and the chair of the Retirement Plan Committee receives an additional annual stipend of $5,000. The annual stipends paid to the Lead Director and each of the committee chairs are payable in arrears in equal quarterly installments on the last business day of each quarter. Effective January 1, 2009, the annual stipend for the chair of the Compensation Committee was increased to $20,000 and the annual stipend for the chair of the Retirement Plan Committee was increased to $7,500. All other fees, retainers and stipends remain the same.

Upon commencement of services as a director, each non-employee director is granted options to purchase 10,000 shares of common stock at an exercise price equal to the closing price of our common stock on the date the director is elected to the board. The option grants are made under the Non-Employee Directors Equity Incentive Plan (the Directors Plan). Prior to adoption of the Directors Plan on May 25, 2006, these option grants were made under our Amended and Restated 2000 Equity Incentive Plan. These options become exercisable six months after the grant date and expire on the tenth anniversary of the grant date or, if earlier, on the first anniversary of a director s termination of service with respect to options granted after May 25, 2006. Directors also receive an annual stock unit award, which is currently fixed at 3,500 stock units, on the first business day of each year. These stock awards were made under the Non-Employee Directors Deferred Fee Equity Plan (the Predecessor Plan) for years prior to 2007 and under the Directors Plan starting in 2007.

In addition, each member of the board of directors and his or her spouse is eligible to participate in our medical, dental and vision plans at the same contribution rates as our management employees. Retired directors and their spouses who were participating in these plans at the time of their retirement from our board may continue to participate in the plans, but generally are required to pay 100% of the cost.

In addition to electing the form of his or her annual retainer, a director may elect to have either 50% or 100% of his or her meeting fees, and in the case of the Lead Director and committee chairs their annual stipends, paid in cash or stock units. If a director elects payment of his or her fees in stock units, units are credited in an amount that is equal to the cash payment the director otherwise would have received, based upon a formula where the cash payment amount is the numerator and the Initial Market Value of our common stock is the denominator. Under the Predecessor Plan, the Initial Market Value was equal to 85% of the average of the high and low prices of the common stock on the first trading day of the year in which the units are earned. Under the Directors Plan, the Initial Market Value is equal to 85% of the closing price of the common stock on the grant date of the units. Stock units for fees and stipends are earned quarterly and credited to the director s account on the last business day of the quarter in which the fees and stipends were earned. We hold all stock units until a director s termination of service, at which time the units are redeemable, at the director s election, in either cash or in shares of our common stock. Under limited circumstances, the board of directors may also authorize hardship redemption of some or all of a director s stock units prior to the director s termination of service.

Mr. Singer retired from the board on May 14, 2008 and elected to receive cash in settlement of his stock unit account. Accordingly, he received cash equal to the fair market value of the stock units in his stock unit account. Fair market value of a stock unit is equal to the fair market value of a share of our common stock (a) on the date of retirement, with respect to stock units awarded under the Directors Plan and (b) on the tenth day following the date of retirement, with respect to stock units awarded under the Predecessor Plan. The settlement of his stock unit account took place on May 27, 2008 in accordance with the plans.

CORPORATE GOVERNANCE

We maintain corporate governance policies and practices that reflect what the board of directors believes are best practices, as well as those that we are required to comply with pursuant to the Sarbanes-Oxley Act of 2002 and the rules of the SEC and the NYSE. A copy of our Corporate Governance Guidelines is available upon request to our Secretary, or may be viewed or downloaded from our website at *www.frontier.com*.

Director Independence

The board of directors is required to affirmatively determine that a majority of our directors is independent under the listing standards of the NYSE. The board of directors undertakes an annual review of director independence. As a result of this review, the board of directors affirmatively determined that Messrs. Barnes, Bynoe, Dugan, Kraus, Schrott, Ward and Wick and Mses. Abernathy, Finard, Fitt and Segil are independent under the rules of the NYSE. In determining director independence, the board of directors reviewed not only relationships between the director and our company, but also relationships between our company and the organizations with which the director is affiliated. After considering the relevant facts and circumstances, the board of directors determined that none of these individuals has a material relationship with our company (either directly or as a partner, shareholder or officer of an organization that has a relationship with our company), other than as a director of our company, and that each of these directors is free from any relationship with our company that would impair the director s ability to exercise independent judgment. The board determined that the following relationships are not material relationships and therefore do not affect the independence determinations: Mr. Dugan is a Senior Technical Advisor and a member of the Board of Directors of EchoStar Corporation. We made payments to DISH Network Corporation, an affiliate of EchoStar, under our agreement with DISH which accounted for less than 1% of DISH s gross consolidated revenues in each of the last three years. Ms. Fitt is a member of the Board of Directors of Ciena Corporation. Over the past three years, we purchased an immaterial amount of communications equipment from an affiliate of Ciena.

Meetings of the Board of Directors

The board of directors held 14 meetings in 2008. Each incumbent director attended at least 75% of the aggregate of these meetings (during the period that he or she served as a director) and the total number of meetings held by all committees of the board on which he or she served. It is our policy that the directors attend the annual meeting of stockholders. All directors who were members of the board of directors at the time of last year s annual meeting of stockholders attended that meeting.

Committees of the Board

The board of directors has four standing committees: Audit, Compensation, Nominating and Corporate Governance, and Retirement Plan.

Audit Committee. The Audit Committee is composed of four independent directors and operates under a written charter adopted by the board of directors. A copy of the Audit Committee Charter is available upon request to our Secretary, or may be viewed or downloaded from our website, www.frontier.com. The Audit Committee currently consists of Mr. Schrott, as Chair, Mr. Barnes, Mr. Ward and Ms. Segil. Each member of the Audit Committee is financially literate, as required by the listing standards of the NYSE. In addition, the board of directors has determined that each of Messrs. Barnes and Schrott meets the standard of an audit committee financial expert under the rules of the SEC. The Audit Committee met five times and took action on one other occasion in 2008.

The Audit Committee selects our independent registered public accounting firm. Management is responsible for our internal controls and financial reporting process. The Audit Committee assists the board of directors in undertaking and fulfilling its responsibilities in monitoring (i) the integrity of our consolidated financial statements, (ii) our compliance with legal and regulatory requirements, (iii) the qualifications of our internal auditors and the independence and qualifications of our independent registered public accounting firm and (iv) the performance of our internal audit function and independent registered public accounting firm.

In accordance with the Sarbanes-Oxley Act of 2002 and the rules of the SEC and the NYSE, the Audit Committee pre-approves all auditing and permissible non-auditing services that will be provided by KPMG LLP, our independent registered public accounting firm.

In accordance with the rules of the SEC, the Audit Committee has established procedures to receive, retain and treat complaints received regarding accounting, internal accounting controls, or auditing matters and to allow for the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

Compensation Committee. The Compensation Committee is composed of five independent directors and operates under a written charter adopted by the board of directors. A copy of the Compensation Committee Charter is available upon request to our Secretary, or may be viewed or downloaded from our website, www.frontier.com. Each member of the Compensation Committee is an outside director under Section 162(m) of the Internal Revenue Code. The Compensation Committee reviews our general compensation strategies; acts as the committee for our incentive compensation plans; and establishes and reviews compensation for the Chief Executive Officer and other executive officers. The Compensation Committee also oversees and approves compensation policy and incentive plan design, costs and administration. The Compensation Committee, which met eight times and took action on one other occasion in 2008, currently consists of Ms. Fitt, as Chair, and Ms. Abernathy, Ms. Finard, Mr. Bynoe and Mr. Wick.

The Compensation Committee s responsibilities, which are set forth in its charter, include, among other duties, the responsibility to:

annually review and approve, for the CEO and the other senior executives of the company, (a) the annual base salary level, (b) the annual incentive opportunity level, (c) the long-term incentive compensation opportunity level, (d) employment agreements, severance arrangements, and change in control agreements/ provisions, in each case as, when and if appropriate, and (e) any special or supplemental benefits;

review periodically and recommend to the board, the compensation of all directors;

review the company s incentive compensation plans and equity-based plans and recommend to the board changes in such plans as needed. The Committee has and shall exercise all authority of the board with respect to the administration of such plans; and review and approve all grants of awards, including the award of shares or options to purchase shares, pursuant to our incentive and equity-based compensation plans.

Mrs. Wilderotter makes recommendations with respect to the compensation for the other senior officers to the Compensation Committee for their final review and approval.

The Committee may form, and delegate any of its responsibilities to, a subcommittee so long as such subcommittee is solely comprised of one or more members of the Committee. The Compensation Committee engages compensation consultants from time to time to assist the Committee in evaluating the design and assessing the competitiveness of its executive compensation program. For more detailed information on the role of compensation consultants, see Compensation Discussion and Analysis Roles and Responsibilities and Market and Peer Group Reviews elsewhere in this proxy statement.

Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee is composed of five independent directors and operates under a written charter adopted by the board of directors. A copy of the Nominating and Corporate Governance Committee Charter is available upon request to our Secretary, or may be viewed or downloaded from our website, *www.frontier.com*. One of the committee s functions is to recommend candidates for election to the board of directors. The Nominating and Corporate Governance Committee intends to use a variety of means of identifying nominees for director, including recommendations from current board members and from stockholders. In determining whether to nominate a candidate, the Nominating and Corporate Governance Committee will consider the current composition and capabilities of serving board members, as well as additional capabilities considered necessary or desirable in light of our existing needs and then assess the need for new or additional members to provide those capabilities. In addition, the Nominating and Corporate Governance Committee takes a leadership role in shaping our corporate governance, including making recommendations on matters relating to the composition of the board of directors and its various committees and our Corporate Governance Guidelines. The Nominating and Corporate Governance Committee, which met three times in 2008, currently consists of Mr. Bynoe, as Chair, and Ms. Abernathy, Mr. Kraus, Mr. Schrott and Ms. Segil.

Stockholders may propose director candidates for consideration by the Nominating and Corporate Governance Committee. Any such recommendations should include the nominee s name and qualifications for membership to the board of directors and should be directed to our Secretary at the address of our principal executive offices. To nominate an individual for election at an annual stockholder meeting, the stockholder must give timely notice to our Secretary in accordance with our bylaws, which, in general, require that the notice be received by our Secretary not less than 90 days nor more than 120 days before the anniversary date of the immediately prior annual stockholders meeting, unless the annual meeting is moved by more than 30 days before or after the anniversary of the prior year s annual meeting, in which case the notice must be received not less than a reasonable time, as determined by our board, prior to the printing and mailing of proxy materials for the applicable annual meeting. The notice should include a description of the qualifications of the suggested nominee and any information that is required by the regulations of the SEC concerning the suggested nominee and his or her direct or indirect securities holdings or other interests in our company. See Proposals by Stockholders for the deadline for nominating persons for election as directors for the 2010 annual meeting.

Each candidate for nomination as a director, including each person recommended by stockholders, is evaluated in accordance with our Corporate Governance Guidelines. In addition, the board of directors has adopted guidelines to be used by the Nominating and Corporate Governance Committee in selecting candidates for membership to the board of directors. These guidelines set forth general criteria for selection, including that the background and qualifications of the directors, as a group, should be diverse, and a nominee should possess a depth of experience, knowledge and abilities that will enable him or her to assist the other directors in fulfilling the board s responsibilities to our company and our stockholders. In addition, a nominee must be willing to commit that he or she will comply with our director stock ownership guidelines, as discussed below. The guidelines also include the following special criteria for the selection of director nominees:

- A nominee must have a reputation for integrity, honesty, fairness, responsibility, good judgment and high ethical standards.

A nominee should have broad experience at a senior, policy-making level in business, government, education, technology or public interest.

A nominee should have the ability to provide insights and practical wisdom based on the nominee s experience and expertise.

A nominee should have an understanding of a basic financial statement.

A nominee should comprehend the role of a public company director, particularly the fiduciary obligation owed to our company and our stockholders.

A nominee should be committed to

understanding our company and its industry and to spend the time necessary to function effectively as a director.

A nominee should neither have nor appear to have a conflict of interest that will impair the nominee s ability to fulfill his or her responsibilities as a director.

A nominee should be independent, as defined by the SEC and the NYSE. To the extent permitted by applicable law and our bylaws, nominees who do not qualify as independent may be nominated when, in the opinion of the Nominating and Corporate Governance Committee, such action is in our best interests.

Decisions regarding the renomination of directors for additional terms on the board of directors are governed by the general and specific criteria described above and by the Nominating and Corporate Governance Committee s evaluation of the directors performance and contribution to the board. In addition, as a general rule, a non-employee director will not be renominated if he or she has served 15 years as a member of the board of directors. The Nominating and Corporate Governance Committee reserves the right to renominate any director regardless of the length of his or her service if, in the judgment of the Nominating and Corporate Governance Committee, such renomination is in our company s and our stockholders best interests.

The board of directors has approved stock ownership guidelines for non-management directors. Each non-management director is expected to purchase a minimum of $50,000 in shares of our common stock by the later of May 18, 2010 and three years after joining the board and retain ownership of the number of shares purchased (irrespective of the changes in value of such shares) as long as he or she serves on the board of directors. The investment can be made by purchasing shares in the open market or exercising stock options.

The information contained in this proxy statement with respect to the Audit Committee Charter, the Compensation Committee Charter, the Nominating and Corporate Governance Committee Charter and the independence of the non-management members of the board of directors shall not be deemed to be soliciting material or to be filed with the Securities and Exchange Commission, nor shall the information be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that we specifically incorporate it by reference in a filing.

Retirement Plan Committee. The Retirement Plan Committee is composed of four independent directors and operates under a written charter adopted by the board of directors. The Retirement Plan Committee oversees our company s retirement plans, including reviewing the investment strategies and asset performance of the plans, compliance with the plans and the overall quality of the asset managers, plan administrators and communications with employees. The Retirement Plan Committee, which met three times and took action on one other occasion in 2008, currently consists of Mr. Barnes, as Chair, and Mr. Dugan, Ms. Fitt and Mr. Ward.

Executive Sessions of the Board of Directors

The non-management directors have regularly scheduled executive sessions in which they meet outside the presence of management. At least one of the executive sessions each year is attended only by independent directors. Myron A. Wick, III has been elected as the Lead Director by our independent directors. Mr. Wick presides at executive sessions of the board.

Communications with the Board of Directors

Any stockholder or interested party who wishes to communicate with the board of directors or any specific director, including the Lead Director, any non-management director, or the non-management directors as a group, may do so by writing to such director or directors at: Frontier Communications Corporation, Three High Ridge Park, Stamford, Connecticut 06905. This communication will be forwarded to the director or directors to whom it is addressed. This information regarding contacting the board of directors is also posted on our website at *www.frontier.com*.

Code of Business Conduct and Ethics

We have a Code of Business Conduct and Ethics (the Code of Conduct) to which all employees, executive officers and directors, which for purposes of the Code of Conduct we collectively refer to as employees, are required to adhere in addressing the legal and ethical issues encountered in conducting their work. The Code of Conduct requires that all employees avoid conflicts of interest, comply with all laws and other legal requirements, conduct business in an honest and ethical manner, and otherwise act with integrity. Employees are required to report any conduct that they believe, in good faith, is an actual or apparent violation of the Code of Conduct and may do so anonymously by using our Ethics Hotline. The Code of Conduct includes specific provisions applicable to our principal executive officer and senior financial officers. These officers are required to certify as to any actual or potential conflicts of interest involving them and our company. We post amendments to or waivers from the provisions applicable to our senior executives on our website. A copy of the Code of Conduct is available upon request to our Secretary, or may be viewed or downloaded from our website.

Related Person Transactions Policy

The board of directors adopted a policy addressing our procedures with respect to the review, approval and ratification of related person transactions that are required to be disclosed pursuant to SEC regulations. The policy provides that any transaction, arrangement or relationship, or series of similar transactions, in which we are involved, with a related person (as defined in the SEC regulations) who has or will have a direct or indirect material interest and which exceeds $120,000 in the aggregate shall be subject to review, approval or ratification by the Nominating and Corporate Governance Committee. In its review of related person transactions, the Nominating and Corporate Governance Committee shall review the material facts and circumstances of the transaction and shall take into account certain factors, where appropriate, based on the particular facts and circumstances, including (i) the nature of the related person s interest in the transaction, (ii) the significance of the transaction to us and to the related person and (iii) whether the transaction is likely to impair the judgment of the related person to act in the best interest of our company.

No member of the Nominating and Corporate Governance Committee may participate in the review, approval or ratification of a transaction with respect to which he or she is a related person provided that such person can be counted for purposes of a quorum and shall provide such information with respect to the transaction as may be reasonably requested by other members of the committee or the board.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This section provides information regarding the 2008 compensation program in place for our Chairman, President and Chief Executive Officer (our CEO), our Chief Financial Officer (our CFO) and the three most highly-compensated executive officers other than our CEO and CFO. These are the executive officers named in the Summary Compensation Table presented in this proxy statement (the named executive officers). This section includes information regarding our executive compensation philosophy, the overall objectives of our compensation program and each component of compensation that we provide. This section also describes the key factors the Compensation Committee considered in determining the compensation for the named executive officers in 2008.

Executive Compensation Philosophy

The company s executive compensation philosophy is designed to achieve a number of objectives:

Establish clear alignment between the interests of our executives and those of our stockholders. Our executive compensation program is designed to align the interests of our executives with those of our stockholders by rewarding performance measured by certain key financial metrics, including revenue growth, earnings before interest, taxes, depreciation and amortization (EBITDA) and EBITDA less capital expenditures (operating free cash flow), and specific operating goals. In the case of annual awards, these metrics and goals are derived from the company s annual business plan and are discussed in more detail below.

Additionally, the executives interests are aligned with our stockholders interests through the use of restricted stock awards rather than cash as a significant component of annual compensation. This encourages our executives to focus their attention on decisions that emphasize long-term returns for our stockholders. We also have established and maintain minimum stock ownership guidelines for our CEO and her direct reports who are members of our Senior Leadership Team (which includes all named executive officers and two other executive officers). In March 2008, we adopted the Long-Term Incentive Plan (LTIP) which will further promote the alignment of executive and stockholder interests by linking long-term incentive awards granted to our executives, which are payable in shares of the company s common stock, to aggressive growth goals over three-year performance periods.

Reinforce our performance culture. Our executive compensation program is designed to reward superior performance. We do this by making a majority of our named executive officers compensation at risk and contingent upon achievement of specified company and individual performance goals. The components of executive compensation that are at risk are: the annual cash bonus, restricted stock awards, the profit sharing contribution and the LTIP.

Annual cash bonuses are paid based upon achievement of specified company level financial and non-financial targets and individual performance.

Restricted stock is awarded annually to executives based on achievement of specified company level financial targets and individual performance. In addition to the value executives derive from the restricted stock award itself, they also receive long-term value from any increases in the market value of the company s common stock over time and from the dividends they receive from the vested and unvested shares that they have been awarded.

Profit Sharing contributions are made to executives 401(k) accounts if the company exceeds its EBITDA goal. These awards are made in the exact same manner to all of the company s participating non-union employees.

The **LTIP** is designed to promote long-term performance by rewarding the achievement of specified company level financial targets over three-year performance periods. LTIP awards are payable in shares of the company s common stock at the end of the applicable three-year performance period.

Compensation based on the achievement of specified goals and targets reinforces our performance culture, which is one of our company priorities. Given the intensely competitive environment in the communications services industry, we believe that it is important that we have a culture that rewards performance with respect to critical strategic, financial and operational goals.

Hire and retain talented executives. The quality of the individuals we employ at all levels of the organization is a key driver of our performance as a company, both in the short-term and in the long-term. Accordingly, it is critical for us to be able to hire and retain the best executive talent in the marketplace and one of the important tools to do so is to pay competitive total compensation.

In order for us to hire and retain high performing executives with the skills critical to the long-term success of our company, we have implemented a compensation program that is competitive with compensation that is paid to executives in comparable companies. We have also established multi-year vesting schedules for restricted stock awards and LTIP award opportunities that are designed to help us retain valuable executives notwithstanding the competition for talent.

Ensure company goals are fully aligned throughout the organization. Each year, we establish goals in three broad categories that we refer to as the 3Ps (People, Product and Profit). These goals reflect the performance objectives that we have established for the upcoming year for all employees, including the named executive officers. In the fourth quarter of 2007, Mary Agnes Wilderotter, our CEO, along with the top company leaders, created the company s business plan for 2008. The 3Ps for 2008 were derived from the 2008 business plan, both of which were reviewed by the Compensation Committee and adopted by the board of directors. Following their approval, the 3P goals were communicated to all employees in the first quarter of 2008 to drive company performance. The named executive officers are accountable for leading the company to achieve the 3P goals each year and are rewarded based on achieving specified 3P goals that are the key priorities for our business.

Compensation Program Design

To achieve the objectives described above, we offer a straightforward executive compensation program that is designed to reward our executives for both short term (one year) and long term performance. For 2008, five primary components of compensation were available to our executives: base salary, an annual cash bonus opportunity, restricted stock awards, a profit sharing contribution and an LTIP award opportunity. Of these, only base salary represented fixed compensation. Each of the other components was variable based on the performance of both the company and, except for the profit sharing contribution, the individual executive, measured against specific pre-established goals and targets.

The Compensation Committee considers many factors in determining the amount of total compensation and the individual components of that compensation for each named executive officer, including the executive s experience level, value to the organization and scope of responsibility. As the market for talented executives is highly competitive, we also consider the compensation that is paid to executives in comparable companies with whom we compete for talent, which we refer to as our peer group. For more information about our peer group, see Market and Peer Group Reviews below. The peer group information provides valuable comparative insights and is one of many factors considered by the Compensation Committee in setting executive compensation. In general, it is our aim to offer total compensation to our executives that would place them in the 50th to 75th percentile rank for the peer group. By targeting the 50th to 75th percentile of our peer group for total compensation, we believe we can successfully hire, motivate and retain talented executives.

Roles and Responsibilities

As described in its charter, the Compensation Committee is responsible for overseeing and approving the company s executive compensation philosophy and compensation programs, as well as determining and approving the compensation for our CEO and other key senior executives. At the beginning of each year, the Compensation Committee reviews and approves the 3Ps, as well as individual performance goals for the named executive officers, and approves the target levels for each of the compensation components that apply to the named executive officers for the upcoming year. Each year, at its February committee meeting, the Compensation Committee assesses our CEO s performance for the year just ended to determine the appropriate award for each component of her total compensation.

The Compensation Committee then reviews their recommendations for our CEO with the non-management directors before finalizing their decision.

Our CEO annually reviews the performance of the other key senior executives for the year just ended, including the named executive officers, and presents to the Compensation Committee her performance assessments and compensation recommendations, including the award for each component of the executive s total compensation. Mrs. Wilderotter s review consists of an assessment of the executive s performance against the company level and individual goals and targets. The Compensation Committee then follows a review process with respect to these executives similar to that undertaken for Mrs. Wilderotter. After review, the Compensation Committee approves the compensation decisions for these executives.

The Compensation Committee retains an independent executive compensation consultant to assist in the development of compensation programs, evaluation of compensation practices and the determination of compensation awards. The role of the compensation consultant is to provide objective third-party data, advice and expertise in executive compensation matters. In 2008, the Compensation Committee again engaged Compensia, Inc. as its independent executive compensation consultant. The decisions made by the Compensation Committee are the responsibility of the Compensation Committee and reflect factors and considerations in addition to the information and recommendations provided by the compensation consultant.

The Compensation Committee reviews on a periodic basis the company s management compensation programs, including any management incentive compensation plans, to determine whether they are appropriate, properly coordinated and achieve their intended purposes(s), and recommend to the board any modifications or new plans or programs.

Components of the Executive Compensation Program

The following components comprise our executive compensation program and post-employment compensation, the rationale for each component and how awards were determined for 2008.

Cash Compensation

Base Salary. Base salary levels for our executives are set at approximately the 50th percentile for comparable executives within our peer group. We believe a salary scale set at this level, when considered together with the other components of compensation, is sufficient to attract and retain talented executives. We conduct an annual merit review of our executives, generally held in February of each year, where each executive s performance for the year just ended is reviewed against his or her individual and company goals. The overall budget for merit increases is set by management using an average of the merit increase percentages in national compensation surveys in each year and company performance. Executives are eligible for increases to their base salary based on individual performance.

Executives may also receive an increase to their base salary when they are promoted, if they are given increased responsibility or if an executive s base salary is determined to be below the 50th percentile of our peer group. The Compensation Committee determines all changes to the base salary of Mrs. Wilderotter, which are then subsequently reviewed by the non-management directors. Mrs. Wilderotter recommends changes in the base salary for our other named executive officers to the Compensation Committee for its review and approval. Base salary represented between approximately 20 and 30 percent of each named executive officer s total compensation for 2008 (for this purpose, consisting of base salary, the annual cash bonus payment and the grant date fair market value of restricted stock awards; the annualized LTIP award opportunity was excluded from this calculation because it was cancelled). This is consistent with our philosophy of having a majority of the named executive officer s compensation at risk and contingent upon specified company and individual performance goals.

Annual Bonus. The named executive officers participate in the Frontier Bonus Plan (formerly called Citizens Incentive Plan), which is the same bonus plan in which all of our company s non-union employees participate. This component of executive compensation is designed to incent and reward our executives for achieving pre-established and measurable performance goals. Target bonuses are established at the beginning of each year and are set as a percentage of the named executive officer s base salary, ranging from 75% to 100% of base salary. The target bonus for Mrs. Wilderotter is 100% of her base salary in accordance with the terms of her employment agreement. The terms of her employment agreement are described below under Employment Arrangements; Potential Payments upon Termination or Change-in-Control. Annual cash bonuses represented between approximately 20 and 30 percent of each named executive officer s total compensation for 2008.

The performance goals for the Frontier Bonus Plan are based on our 3P goals and each of the named executives has his or her individual goals, which are consistent with our overall 3P goals. These goals are stretch goals that are designed to incent our executives to drive high performance and achieve the company s strategic operational and financial objectives. As a result, we believe the goals will be difficult to achieve but are attainable with significant effort. In the last three years, the company has performed at varying levels of the established 3P goals; for certain goals the performance was below the target, others were met and some goals were exceeded.

Bonuses may be paid upon partial or full achievement of company and individual goals. Eighty-five percent of an executive s bonus is determined based on the performance against certain 3P goals for Profit and Product. The remaining 15 percent of the executive s bonus is based on his or her leadership and performance against certain 3P goals for People and the individual goals set for him or her for the applicable year. The actual bonus payout is within a range of 0 120% of each executive s target bonus opportunity. The Compensation Committee determines the actual bonus payout for Mrs. Wilderotter (subject to the same range), which is then subsequently reviewed by the non-management directors. Mrs. Wilderotter recommends bonus payouts for the other named executive officers to the Compensation Committee for its review and approval.

For 2008, the 3P goals for Profit included achieving specified target levels for revenue, EBITDA, capital expenditures, operating free cash flow and acquisition integration. The 3P goals for Product included internet and wireless data revenue growth, implementing critical customer service plans, completing system upgrades/conversions and achieving specified sales target levels for Frontier products. The Profit and Product goals were weighted at 85% for the Senior Leadership Team. The 3P goals for People included initiatives to hire and retain talented employees and reinforce our performance culture and were part of the executive s individual leadership component which was weighted at 15%. The bonus pool for 2008 was established in proportion to the company s performance on the Profit and Product goals.

In determining bonus payouts for the named executive officers for 2008, the company s performance against the Profit goals was as follows:

revenue, 95.8%, with actual revenue of $2,237.0 million versus a target of $2,335.0 million;

EBITDA (defined as operating income plus depreciation and amortization), 94.9%, with actual EBITDA of $1,204.3 million versus a target of

$1,269.2 million;

capital expenditures, 100.0%, with actual capital expenditures of $288.3 million versus a target of $310.0 million; and

operating free cash flow, 95.5%, with actual operating free cash flow of $916.0 million versus a target of $959.2 million.

The Profit goals also included a number of integration objectives for the two acquisitions made in 2007, which were accomplished.

For the Product goals, the company s performance against the quantifiable goals, such as total product units and internet and wireless data revenues, was 93.1%, measured as a percentage of achievement versus the targets for those goals. The Product goals also included the execution of the customer service enhancements and development of Local Manager training and tools. The customer service enhancements included billing system conversions, system upgrades, call center operations performance improvement and formation of local sales and service queues. Performance against these goals was determined by the Compensation Committee based on its subjective evaluation of the company s progress against these objectives.

The payout for Profit goals was 95.3% and the payout for Product goals was 93.2%, for an aggregate bonus payout on Profit and Product goals of 94.1% of each executive s target bonus opportunity. For each named executive officer (other than herself), Mrs. Wilderotter provided to the Compensation Committee an evaluation of his or her performance against his or her People goals, including a qualitative assessment of the executive s contributions and effectiveness on an individual basis and as a leader in the organization. The payout for People goals were 97.5% for Mr. Shassian, 100.0% for Mr. McCarthy, 90.0% for Mr. Hayes and 100.0% for Ms. McKenney. For Mrs. Wilderotter, the Compensation Committee performed a similar assessment. The payout for People goals for Mrs. Wilderotter was 100.0%. Total bonus payouts, as a percent of the executive s target were then determined for each named executive officer as follows: Mrs.

Wilderotter, 95.0%, Mr. Shassian, 94.6%, Mr. McCarthy, 95.0%, Mr. Hayes, 93.5% and Ms. McKenney, 95.0%.

For 2009, the Profit goals include targets for revenue, EBITDA, capital expenditures and operating free cash flow. The Product goals include the implementation of critical customer sales and service enhancements and achieving sales targets for voice, broadband, video and bundled products. The Profit and Product goals are weighted at 85% for the Senior Leadership Team. The People goals are part of the executive s individual leadership component which is weighted at 15% for the Senior Leadership Team. The bonus pool for 2009 will be established based on the company s performance on the Profit and Product goals.

Profit Sharing Contribution. Consistent with our pay-for-performance philosophy, in years when the company exceeds its annual EBITDA target, we provide eligible employees with a profit sharing match to their 401(k) account. For each 1% that the company exceeds the EBITDA target, we make a matching contribution of 0.5% of eligible base salary up to a maximum contribution of 3%. The eligible base salary is capped at the annual compensation limit in Section 401(a)(17) of the Internal Revenue Code, as adjusted for increases in the cost of living. The maximum eligible base salary for 2008 was $230,000. Executives are eligible to participate in this arrangement on the same basis as all of our non-union, full-time employees. In order to receive the profit sharing award, the executive must contribute a minimum of 1% of his or her base salary to our 401(k) plan. We created the profit sharing plan in 2003, the year we froze the Frontier Pension Plan for all eligible non-union employees. The profit sharing plan was implemented to reinforce our performance culture with another component of performance-based compensation. We did not make profit sharing contributions in 2008 because the company did not exceed the specified EBITDA target for the year.

Perquisites and Other Benefits. We provide perquisites to the named executive officers in limited situations where we believe it is appropriate to assist the executives in the performance of their duties, to make our executives more efficient and effective and for recruitment and retention purposes. Perquisites provided to the named executive officers during 2008 included a housing allowance in connection with relocation and reimbursement of travel expenses for spouses of the named executive officers who attended a company recognition function. We believe that providing the housing allowance was necessary to hire and retain a talented executive critical to the company s long term success. We believe that the participation of spouses at the company recognition function contributed to its effectiveness. The recognition function expenses for spouses were de minimus. The company also provided tax gross-up payments on these perquisites because we believe that the executive should not be responsible for the taxes on company-related expenses.

In addition, we provide other benefits to our named executive officers on the same basis as all of our non-union, full-time employees. These benefits include medical, dental and vision insurance, basic life and disability insurance and matching contributions to our 401(k) plan for employees who participate in the plan.

Equity Compensation

Restricted Stock Awards. We use restricted stock awards to achieve three primary objectives:

(1) to incent and reward the executives for annual company performance;

(2) to enable us to hire and retain

talented executives; and

(3) to align the interests of our executives with those of our stockholders through long-term executive ownership of common stock.

Restricted stock awards are granted each year based on performance to the CEO, the other named executive officers, Senior Vice Presidents, Vice Presidents and approximately 30% of Directors, Regional Vice Presidents and Assistant Vice Presidents, a total of approximately 75 employees. For the named executive officers, restricted stock awards, taken together with any annualized LTIP award opportunities then available, are targeted at the 75th percentile of our peer group for long term compensation consistent with our philosophy of targeting the 50th 75th percentile for total compensation.

Based on this criterion, the Compensation Committee sets a target dollar range for restricted stock awards for each named executive officer. The restricted stock plan has a minimum financial performance gate in order for any restricted stock grants to be awarded (except in the case of Mrs. Wilderotter whose employment contract requires a minimum restricted stock award be made in each year). The Compensation Committee set a minimum performance threshold of 90% of each of the three approved budgeted levels for revenue, EBITDA and operating free cash flow for any restricted stock awards to be granted in 2008. The actual dollar value of restricted stock that is awarded to each executive is based on his or her position level and individual performance. This dollar amount is then converted to a number of shares of restricted stock based on the market price of the company s common stock on the date of grant. All restricted stock awards for named executive officers vest in 25% increments over four years, except for Mrs. Wilderotter whose stock awards prior to 2007 vest in 20% increments over five years. Restricted stock awards have no market or performance conditions to vesting. In March 2007, the Compensation Committee altered the vesting schedule of Mrs. Wilderotter s February 2007 grant and future grants to be consistent with the vesting schedule for all the other named executive officers, which is 25% per year. The value of the restricted stock awards represented between approximately 40 and 60 percent of the named executive officers total compensation for 2008, which is consistent with our philosophy of having a majority of the named executive officer s compensation at risk and contingent upon specified company and individual performance goals. In February 2009, the Compensation Committee granted restricted stock awards to the named executive officers as set forth below under 2008 Named Executive Officer Compensation.

Dividends are paid on shares of vested and unvested restricted stock at the same rate and at the same time that we pay dividends on shares of our common stock. We pay dividends on unvested restricted stock in order to reward executives for the performance of the company on the same basis as stockholders, thereby more closely aligning the interests of our executives with those of our stockholders.

Mrs. Wilderotter s employment agreement provides that she will receive an annual minimum restricted stock award valued at between $1,000,000 and $2,000,000, as determined by the Compensation Committee. The Compensation Committee has the discretion to increase the size of her annual restricted stock award to an amount greater than her contractually-guaranteed award in order to align her compensation with our peer group, reward performance or achieve other company goals. Mrs. Wilderotter s restricted stock award provides incentive for her to drive company performance and to remain with the company. It is also consistent with the goal of making the majority of her compensation performance-based. The Compensation Committee determines the actual amount of the restricted stock award for Mrs. Wilderotter based on the company s performance and her individual performance, which is then subsequently reviewed by the non-management directors. Mrs. Wilderotter recommends the restricted stock awards for the other executives, including the other named executive officers, to the Compensation Committee for their final review and approval.

The Compensation Committee follows a general practice of making all restricted stock awards to our executives, including the named executive officers, on a single date each year, with the exception of awards to eligible new hires, which are awarded as of the date of hire. Typically, the Compensation Committee makes these restricted stock grants at its meeting in February based on the prior year s results.

Long-Term Incentive Program Awards. In March 2008, the Compensation Committee, in consultation with the non-management directors and the Committee s independent executive compensation consultant, adopted the LTIP. The LTIP covers the named executive officers and certain other officers. The LTIP is designed to incent and reward our senior executives if they achieve aggressive growth goals over three year performance periods, which we refer to as Measurement Periods. LTIP awards will be granted in shares of the company s common stock following the applicable Measurement Period if pre-established performance goals are achieved over the Measurement Period.

In March 2008, the Compensation Committee approved LTIP target award opportunities for each of the named executive officers, as set forth below in the Grant of Plan-Based Awards table, as well as the target level for each performance metric for the 2008 2010 Measurement Period. For the 2008 2010 Measurement Period, the performance metrics were revenue and free cash flow. Revenue and free cash flow were selected as metrics for the 2008 2010 Measurement Period because of the Compensation Committee s belief that these metrics drive strong alignment between management and our stockholders with respect to the company s long term performance. For purposes of the 2008 2010 Measurement Period, revenue was defined as the company s total revenues less regulatory revenues, and free cash flow was defined as the company s publicly reported free cash flow, adjusted to reflect the company as a full cash taxpayer during the 2008 2010 Measurement Period. The growth in these numbers was to be measured from a 2007 base, which, in the case of free cash flow was also to be adjusted to reflect the company as a full cash taxpayer and for certain other items. The Compensation Committee had the discretion to include or exclude certain items from the calculations of free cash flow.

There were minimum financial performance gates that had to be achieved with respect to revenue and free cash flow growth over the 2008 2010 Measurement Period for any LTIP award to be granted. In February 2009, the Compensation Committee determined that the minimum performance gates were no longer achievable and cancelled the award opportunities for the 2008 2010 Measurement Period. Accordingly, there will be no payouts under the LTIP for the 2008 2010 Measurement Period. It is anticipated that new Measurement Periods and related targets will be established in the future, but not in 2009.

Stock Options. We do not make stock option awards to executive officers and have not done so since 2002. Given the historical price range of our common stock, the stock s volatility characteristics and our common stock dividend, we believe a selective restricted stock grant is more valuable and appropriate than an option grant and, therefore, a stronger hiring and retention tool. Further, restricted stock awards result in the issuance of fewer shares.

Stock Ownership Guidelines. To further align our executives interests with those of our stockholders, in 2007, our board of directors approved new stock ownership guidelines for the CEO and the other members of the Senior Leadership Team. The CEO is expected to own shares of the company s common stock having a minimum value of two times her base salary and each other member of the Senior Leadership Team is expected to own shares of the company s common stock having a minimum value of one times his or her base salary. The CEO and the other members of the Senior Leadership Team have three years after joining the Senior Leadership Team to comply with this guideline and must retain ownership of at least that amount as long as he or she serves on the Senior Leadership Team. The guidelines are based on a survey of similar policies among the companies in our peer group and our board of directors judgment regarding a meaningful investment in our company. Restricted stock awards are counted for purposes of fulfilling this requirement. Currently, all members of the Senior Leadership Team, including our CEO, are in compliance with these guidelines.

Post-Employment Compensation

Frontier Pension Plan. This defined benefit pension plan was frozen for all non-union participants in 2003 or earlier depending on the participant s employment history. The plan was frozen both with respect to participation and benefit accruals. Daniel McCarthy, Executive Vice President and Chief Operating Officer, is the only named executive officer for 2008 who has vested benefits under the Frontier Pension Plan, as all other named executive officers joined the company after the plan was frozen.

Termination of Employment and Change-in-Control Arrangements. To attract talented executives, we provide certain post-employment benefits to the named executive officers. These benefits vary among the named executive officers depending on the arrangements negotiated with the individual executive upon his or her joining the company. The company s change-in-control arrangements promote the unbiased and disinterested efforts of our executives to maximize stockholder value before, during and after a change-in-control of the company which may impact the employment status of the executives. The benefits for the named executive officers are described below under Employment Arrangements; Potential Payments upon Termination or Change-in-Control.

Other Benefits. We currently offer to retired members of the board of directors the opportunity to continue their medical, dental and vision coverage from us for themselves and their spouses, with the retired board member paying 100% of the cost. As a member of the board of directors, Mrs. Wilderotter will be eligible, following post-employment coverage she may receive under her employment agreement, to continue her medical, dental and vision coverage if she so elects by paying 100% of the cost of such coverage when she leaves the board, if such coverage is available at that time. No other named executive officer is on the board and thus none of them are eligible for this benefit.

Market and Peer Group Reviews

To assess the competitiveness of our executive compensation levels, the Compensation Committee directed its independent executive compensation consultant to develop a peer group and then conduct a comprehensive study with respect to the compensation of the Senior Leadership Team. The study included comparing the compensation of certain senior executives to the compensation of executives holding comparable positions at companies in the peer group as reported in publicly-available documents. The peer group companies included in this study were:

CenturyTel, Inc.	Mediacom Communications Corp.
Charter Communications Inc.	PAETEC Holding Corp.
Cincinnati Bell Inc.	Qwest Communications International Inc.
Embarq Corporation	Time Warner Telecom Inc.
Fairpoint Communications, Inc.	Windstream Corporation

The peer group was changed from the 2007 2008 peer group by removing IDT, Level 3 Communications, Telephone and Data Systems, MetroPCS Communication Inc. and XO Communications Inc. These companies did not meet the peer group criteria which included quantitative and qualitative measures. Charter Communications, Fairpoint Communications and Qwest Communications were added to the peer group because the Compensation Committee believed these companies more closely match our peer group criteria and are companies with whom we compete for executive talent.

In the case of executives for whom there was no publicly available data or no comparable position at the companies in the peer group, the results from the following two published executive compensation surveys were analyzed:

2008 Mercer Benchmark Database Executive Survey

2007-2008 Watson Wyatt Top Management CompQuest Survey

To determine the best job match for the positions to be evaluated based in the Watson Wyatt Survey, companies with revenues of between $1 billion and $5 billion in general industry were identified. For the Mercer Survey, companies in the telecommunications industry and general industry were identified with revenues between $500 million and $2.5 billion. The analysis included examining how each executive s compensation compared to the results in the two surveys for base salary, total cash compensation, long term incentives and total direct compensation.

The peer review study indicated that the total compensation for all of the named executive officers was between the 50^{th} and 75^{th} percentile with the exception of Mr. McCarthy whose total compensation fell below the 50^{th} percentile. The Compensation Committee reviewed and considered the results of the study and other factors as described above under Compensation Program Design in determining our CEO s compensation and that of the Senior Leadership Team for performance in 2008.

2008 Named Executive Officer Compensation

In February 2009, the Compensation Committee met to evaluate the performance of our CEO and the other named executive officers, and to determine merit increases to 2009 base salaries, as well as annual cash bonus payouts and restricted stock awards related to 2008 performance.

For Mrs. Wilderotter, the Compensation Committee reviewed our financial performance (as measured by revenue, EBITDA, capital expenditures and operating free cash flow), our performance on the 3P goals and her performance against her specific individual 2008 goals, including acquisition integration, achievement of customer satisfaction ratings and development of the executive team. The Committee also took into account competitive market data provided by its independent executive compensation consultant. Based on this review and the factors discussed above under Components of the Executive Compensation Program, the Committee, in consultation with the other non-management directors, approved for Mrs. Wilderotter a merit increase to her 2009 base salary, an annual cash incentive bonus payout and a restricted stock award (each in the amount set forth below) for 2008 performance. These compensation decisions place her total compensation for 2008 in the 50^{th} 75^{th} percentile of our peer group. Mrs. Wilderotter later declined to accept the merit increase to her 2009 base salary based on the current unprecedented economic conditions.

For the other named executive officers whose performance was judged based on the same 3P criteria as Mrs. Wilderotter, the Compensation Committee reviewed Mrs. Wilderotter s performance assessments for each executive and her recommendations with respect to merit increases in base salary, annual cash incentive bonus payouts and restricted stock awards. The Committee then discussed their assessments of each named executive officer and approved the base salaries for 2009, annual cash bonus payouts and restricted stock awards set forth below. Mrs. Wilderotter later determined not to award merit increases to the other named executive officers and many other employees for 2009 based on the current unprecedented economic conditions.

Name	2009 Base Salary (1)	2008 Incentive Bonus Payout	Grant Date Fair Value of Stock Award (2)
Mrs. Wilderotter	$ 925,000	$ 878,611	$ 3,000,000
Mr. Shassian	$ 450,000	$ 425,790	$ 925,000
Mr. McCarthy	$ 342,400	$ 303,968	$ 500,000
Mr. Hayes	$ 300,000	$ 280,470	$ 423,450
Ms. McKenney	$ 290,000	$ 206,078	$ 450,000

(1) For Mr. McCarthy, includes a market-based adjustment to his base salary based on the results of the peer review study, as discussed previously under the Market and Peer Group Reviews. The named executive officers did not receive a merit increase for 2009.

(2) The amounts in this column represent the grant date fair value of

restricted stock awards made in February 2009 in recognition of 2008 performance.

Internal Revenue Code Section 162(m) Policy

Section 162(m) of the Internal Revenue Code generally disallows a tax deduction to public companies for compensation over $1,000,000 paid to the chief executive officer or any of the four most highly compensated executive officers (other than the chief executive officer). Section 162(m) provides that qualifying performance-based compensation will not be subject to the tax deduction limit if certain requirements are met. The Compensation Committee believes it is important to maximize the corporate tax deduction, thereby minimizing the company s tax liabilities. Accordingly, the Compensation Committee has designed the 2008 Frontier Bonus Plan and amended the 2000 Equity Incentive Plan to make compensation awarded under these plans deductible under Section 162(m) as performance based compensation. These plans went into effect with respect to 2008 compensation, which was paid in February and March 2009. Amounts that are guaranteed under our existing employment agreements with the named executive officers are not deductible by the company under Section 162(m) as such amounts do not qualify as performance-based compensation.

We may award amounts in the future that are not deductible under Section 162(m) if the Compensation Committee determines that it is in the best interests of the company and our stockholders to do so.

Compensation Committee Report

The compensation committee of our board of directors has submitted the following report for inclusion in this proxy statement:

Our Committee has reviewed and discussed the Compensation Discussion and Analysis contained in this proxy statement with management. Based on our Committee s review of and the discussions with management with respect to the Compensation Discussion and Analysis, our Committee recommended to the board of directors that the Compensation Discussion and Analysis be included in this proxy statement and incorporated by reference into the Company s Annual Report on Form 10-K.

The foregoing report is provided by the following directors, who constitute the Committee:

Submitted by:

Lawton Wehle Fitt, Chair
Kathleen Q. Abernathy
Peter C.B. Bynoe
Jeri B. Finard
Myron A. Wick, III

The information contained in the foregoing report shall not be deemed to be soliciting material or to be filed with the Securities and Exchange Commission, nor shall the information be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that the company specifically incorporates it by reference in a filing.

Summary Compensation Table

The following table sets forth, for services rendered to us and our subsidiaries for each of the fiscal years ended December 31, 2008, 2007 and 2006, the compensation awarded to, earned by, or paid to our Chief Executive Officer, our Chief Financial Officer and each of our other three most highly compensated current executive officers in 2008.

Name and Principal Position(s)	Year	Salary	Bonus	Stock Awards (1)	Option Awards (2)	Non-Equity Incentive Plan Compensation (3)	All Comp
Mary Agnes Wilderotter	2008	$920,833		$ 3,649,817		$ 878,611	$
Chairman of the Board	2007	$ 875,000		$ 1,366,383		$ 895,410	$
of Directors, President	2006	$ 737,500		$ 779,250		$ 825,000	$
and Chief Executive Officer							
Donald R. Shassian	2008	$ 448,000	$ 2,500	$ 511,321		$ 425,790	$
Executive Vice President	2007	$ 435,834	$ 50,000	$ 305,108		$ 439,051	$
and Chief Financial	2006	$ 301,042	$ 25,000	$ 125,156		$ 350,000	$
Officer (5)							
Daniel J. McCarthy	2008	$ 315,000	$ 1,000	$ 385,053		$ 303,968	$
Executive Vice President	2007	$ 288,334		$ 322,079		$ 287,448	$
and Chief Operating	2006	$ 276,250		$ 490,770	$ 14,987	$ 238,000	$
Officer							
Peter B. Hayes	2008	$ 298,667		$ 355,696		$ 280,470	$
Executive Vice President,	2007	$ 290,542		$ 448,054		$ 286,082	$
Sales, Marketing &	2006	$ 281,128		$ 318,550		$ 240,763	$
Business Development							
	2008	$ 288,875	$ 1,000	$ 299,976		$ 206,078	$

Cecilia K. McKenney								
Executive Vice President,	2007	$	281,876	$	192,664	$	214,603	$
Human Resources and Call Center Sales &								
Service (6)								

(1) The stock awards referred to in this column consist of grants of restricted stock and, for Mrs. Wilderotter, a one-time grant of 120,000 shares of common stock for 2007. The amounts shown in this column represent the dollar amount recognized by us for stock awards for financial statement reporting purposes with respect to 2008, 2007 and 2006 in accordance with FAS 123R. As such, it may include amounts related to

awards granted in and prior to 2008, 2007 and 2006. For a discussion of valuation assumptions, see Note 17 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2008. For additional details regarding the restricted stock awards, see the Grant of Plan-Based Awards table below and the accompanying narrative.

(2) The amounts shown in this column represent the dollar amount recognized by us for stock option awards for financial reporting purposes with respect to 2006 in accordance with FAS 123R. No stock options were awarded in 2008, 2007 or 2006. As such, these

amounts relate to awards granted prior to 2006. For a discussion of valuation assumptions, see Note 17 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2008.

(3) The amounts shown in this column represent awards made under the Frontier Bonus Plan (formerly called the Citizens Incentive Plan) for 2008, but were paid in 2009.

(4) The All Other Compensation column includes, among other things, the items described below. The SEC requires us to identify and quantify any individual item of compensation exceeding

$10,000, except as discussed below under Perquisites and Other Personal Benefits.

Perquisites and Other Personal Benefits. Disclosure of perquisites and other personal benefits is omitted for a named executive officer if they aggregate less than $10,000 in the fiscal year. Accordingly, for 2008, perquisites and other personal benefits are included in this column only for Mr. Hayes and consist of a housing allowance ($32,000).

Tax Gross-Ups. For 2008, the amounts in this column for Mr. Hayes also include tax gross-up payments in the amount of $15,987.

Note that the amounts in this

column for 2007 and 2006 (and the related Total amounts) for each of the named executive officers have been revised from those previously disclosed. Dividends are factored into the grant date fair value of the awards in accordance with FASB 123R and, therefore, are not required to be reported in this column. Amounts have been adjusted accordingly.

(5) Mr. Shassian joined our company as Chief Financial Officer effective April 17, 2006 and became an Executive Vice President on February 21, 2008. In accordance with his letter agreement with us, he received a sign-on bonus of $25,000 and a grant of 50,000 shares of restricted stock on his date of hire and a sign-on bonus of $50,000 on April 17, 2007. See Employment Arrangements; Potential Payments Upon Termination or Change-in-Control Donald R. Shassian.

(6) Ms. McKenney joined our company as Senior Vice President, Human Resources effective February 7, 2006 and became Executive Vice President, Human Resources and Call Center Sales & Service on February 21, 2008. Information for 2006 is not provided for Ms. McKenney because she was not a named executive officer for 2006.

Grant of Plan-Based Awards

The following table sets forth information concerning cash awards under our non-equity incentive compensation plan (the Frontier Bonus Plan, formerly called the Citizens Incentive Plan) for 2008, award opportunities under the LTIP announced in 2008 and grants of stock made during 2008 to the named executive officers.

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards (1)			All Other Stock Awards: Number of
		Threshold	Target	Maximum	Threshold	Target	Maximum	

								Shares of Stock
		($)	($)	($)	($)	($)	($)	(#)
Mary Agnes		$ 0	$ 925,000	$ 1,110,000	N/A	N/A	N/A	
Wilderotter	February 21, 2008							347,985
	February 21, 2008							120,000
Donald R.		$ 0	$ 450,000	$ 540,000	N/A	N/A	N/A	
Shassian	February 21, 2008							77,381
Daniel J.		$ 0	$ 320,000	$ 384,000	N/A	N/A	N/A	
McCarthy	February 21, 2008							41,209
Peter B.		$ 0	$ 300,000	$ 360,000	N/A	N/A	N/A	
Hayes	February 21, 2008							40,934
Cecilia K.		$ 0	$ 217,500	$ 261,000	N/A	N/A	N/A	
McKenney	February 21, 2008							39,377

(1) In February 2009, the Compensation Committee cancelled award opportunities under the LTIP for the 2008 2010 Measurement Period and, accordingly, no payouts for such Measurement

Period will be made. The Compensation Committee had approved award opportunities in March 2008 for the named executive officers for the 2008 2010 Measurement Period as follows: Mrs. Wilderotter, $5,000,000; Mr. Shassian, $2,500,000; Mr. McCarthy, $1,500,000; Mr. Hayes, $750,000; and Ms. McKenney, $750,000.

Awards under the Frontier Bonus Plan for 2008 shown under the Estimated Possible Payouts Under Non-Equity Incentive Plan Awards columns were paid in March 2009 based on performance metrics set for 2008 and achievement of individual goals, as described above under Compensation Discussion and Analysis. Target awards under the Frontier Bonus Plan are set as a percentage of base salary. Targets for 2008 were set at 100% of base salary for each of the named executive officers other than Ms. McKenney, whose target was set at 75% of her base salary. Payouts can range from 0% to 120% of the target. The actual amounts of these awards for 2008 for the named executive officers are reported above in the Summary Compensation Table in the column entitled Non-Equity Incentive Plan Compensation.

Except as noted below, the stock awards referred to in the above table are grants of restricted stock. The grants vest in four equal annual installments commencing one year after the grant date. All such grants of restricted stock were made under our Amended and Restated 2000 Equity Incentive Plan in 2008. Each of the named executive officers is entitled to receive dividends on shares of restricted stock at the same rate and at the same time we pay dividends on shares of our common stock. The common stock dividend rate for 2008 was $1.00 per share, paid quarterly. No above-market or preferential dividends were paid with respect to any restricted shares. For Mrs. Wilderotter, the stock awards include a one-time grant of 120,000 shares of common stock.

In March 2008, the Compensation Committee approved LTIP target award opportunities for each of the named executive officers and the performance goals for the 2008 2010 Measurement Period, as described above under Compensation Discussion and Analysis Components of the Executive Compensation Program Equity Compensation Long Term Incentive Program Awards. In February 2009, the Compensation Committee determined that the minimum performance gates for awards to be made were not achievable and cancelled the award opportunities for the 2008 2010 Measurement Period. Accordingly, there will be no payouts under the LTIP for the 2008 2010 Measurement Period.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information regarding outstanding shares of restricted stock held by the named executive officers at year-end and award opportunities at such date under the LTIP. None of the named executive officers held any options to purchase common stock at year-end.

Name	Number of Shares of Stock That Have Not Vested (1)	Market Value of Shares of Stock That Have Not Vested (2)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (3)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (3)
	(#)	($)	(#)	($)
Mary Agnes Wilderotter	593,985	$ 5,191,429	(4)	$ 0
Donald R. Shassian	132,381	$ 1,157,010	(4)	$ 0
Daniel J. McCarthy	86,584	$ 756,744	(4)	$ 0
Peter B. Hayes	83,184	$ 727,028	(4)	$ 0
Cecilia K. McKenney	75,315	$ 658,253	(4)	$ 0

(1) The shares of restricted stock held by the named executive

officers as of December 31, 2008 vest as follows:

Mrs. Wilderotter: 30,000 restricted shares vest on November 1, 2009; 216,000 restricted shares vest in three equal annual installments commencing February 22, 2009; and 347,985 restricted shares vest in four equal annual installments commencing February 26, 2009.

Mr. Shassian: 25,000 restricted shares vest in two equal annual installments commencing April 17, 2009; 30,000 restricted shares vest in three equal annual installments commencing February 22, 2009; and 77,381 restricted shares vest in four equal annual installments commencing February 21, 2009.

Mr. Hayes: 16,000 restricted shares vest in two equal annual installments commencing February 22, 2009; 26,250 restricted shares vest in three equal annual installments commencing February 22, 2009; and 40,934 restricted shares vest in four equal annual installments commencing February 21, 2009.

Mr. McCarthy: 4,125 restricted shares vested on March 15, 2009; 15,000 restricted shares vest in two equal annual installments commencing February 22, 2009; 26,250 restricted shares vest in three equal annual installments commencing February 22, 2009; and 41,209 restricted shares vest in four equal annual installments commencing February 21, 2009.

Ms. McKenney: 15,000 restricted shares vest in two equal annual installments commencing February 7, 2009; 20,938 restricted shares vest in three equal annual installments commencing February 22, 2009; and 39,377 restricted shares vest in four equal annual installments commencing February 21, 2009.

(2) The market value of shares of common stock reflected in the table is based upon the closing price of the common stock on December 31, 2008, which was $8.74 per share.

(3) Amounts in these columns relate to award opportunities under the LTIP for the 2008 2010 Measurement Period. In February 2009, the Compensation Committee determined that the goals were

not achievable and cancelled the award opportunities for the 2008 2010 Measurement Period. Accordingly, there will be no payouts under the LTIP for the 2008 2010 Measurement Period.

(4) The number of shares that may be awarded under the LTIP is based on the closing price of the company s common stock at the time the award is made following the end of the three-year performance period. Accordingly, the number of shares cannot be determined until the time of payout.

Option Exercises and Stock Vested

The following table sets forth information regarding the shares of restricted stock that vested for each of the named executive officers in 2008. No named executive officer acquired any shares upon the exercise of stock options in 2008. The value of restricted stock realized upon vesting is based on the closing price of the shares on the vesting date.

Name	Stock Awards Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)
Mary Agnes Wilderotter	102,000	$ 1,016,700
Donald R. Shassian	22,500	$ 237,750
Daniel J. McCarthy	20,375	$ 219,848
Peter B. Hayes	16,750	$ 183,413
Cecilia K. McKenney	14,479	$ 158,545

Pension Benefits

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit ($)	Payments During Last Fiscal Year ($)
Mary Agnes Wilderotter				
Donald R. Shassian				