FORM 10-K405

Annual report pursuant to section 13 and 15(d), Regulation S-K Item 405

Filing Date: **1999-03-26** | Period of Report: **1998-12-31**
SEC Accession No. 0000936105-99-000003

(HTML Version on secdatabase.com)

FILER

FRONTIER TELEPHONE OF ROCHESTER INC
CIK:**936105**| IRS No.: **161469713** | State of Incorp.:**NY** | Fiscal Year End: **1231**
Type: **10-K405** | Act: **34** | File No.: **033-91250** | Film No.: **99574390**
SIC: **4813** Telephone communications (no radiotelephone)

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

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1998

Commission File Number 33-91250

FRONTIER TELEPHONE OF ROCHESTER, INC.
(Exact name of Registrant as specified in its charter)
(previously Rochester Telephone Corp.)

New York	16-1469713
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
180 South Clinton Avenue Rochester, New York	14646-0700 (Zip Code)
(Address of principal executive offices)	

Registrant's telephone number, including area code: (716) 777-1000

Securities registered pursuant to Section 12(b) of the Act: None
Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES X NO __

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

As of March 1, 1999 all 772 outstanding shares of the registrant's no par common stock were held by Frontier Corporation.

OMISSION OF INFORMATION BY CERTAIN WHOLLY-OWNED SUBSIDIARIES

The registrant meets the conditions set forth in General Instruction I(1)(a) and (b) of Form 10-K and is therefore filing this Form with the reduced disclosure format.

PART I

ITEM 1. BUSINESS

The Company

Frontier Telephone of Rochester, Inc. ("FTR" or the "Company") (formerly Rochester Telephone Corp.) is a regulated independent telephone company that serves customers in the Rochester, New York market. The Company is the primary provider of basic telephone services in the Rochester market and offers its customers a full complement of local telephone network services, access to long distance network services, directory and other operator services. The Company also offers all of its network services for sale on a wholesale basis to other telecommunication service providers in the Rochester market.

The Company was incorporated under the laws of the State of New York in November 1994 and is a wholly-owned subsidiary of Frontier Corporation ("Frontier"). Frontier has served the Rochester market since 1920 and has evolved into a diversified national telecommunications firm. The Company's operations represented approximately 13% of Frontier's consolidated revenues for the year ended December 31, 1998 and 17% of Frontier's consolidated assets as of December 31, 1998.

General

The Company derives revenue primarily from charges for local services, network access for interconnection of long distance companies, directory advertising and billing and collection and other services provided to long distance companies. The Company also derives revenue from the sale, leasing and maintenance of telephone equipment and the sale of enhanced services such as voice mail, custom calling features, Internet and advanced number identification products such as Caller ID. In addition, the Company offers its network services on a tariff basis for wholesale purchase by other telecommunication service providers, including Frontier Communications of Rochester, Inc., a subsidiary of Frontier. The Company's expenses are primarily related to the development and maintenance of its local exchange network and costs associated with customer service, billing and other general and administrative functions.

The Company operates 71 central office and remote switching centers in and around Rochester, New York. As of December 31, 1998, the Company served 551,475 access lines in the Rochester market, of which 361,073 were residential lines and 190,402 were business lines.

Over the last decade, the Company has invested heavily in upgrades to its local exchange business in the Rochester market. Over this period, the Company's switching networks have been fully digitalized, making Rochester one of the largest cities in the United States to be served by an all-digital network.

Technological innovation and regulatory change are accelerating the pace of competition for local exchange services. New competitors now have the ability to provide basic local telephone service in many major U.S. markets, including Rochester, New York. To benefit from these technological advances and broaden the scope and quality of its own product and service offerings, the Company has increased digital switching capacity throughout its network and has pursued regulatory alternatives such as the Open Market Plan, which is described in more detail on pages 5-6. Currently, the Company continues to be the primary retail provider of basic residential local telephone service in Rochester, New York.

Merger Agreement with Global Crossing

On March 17, 1999, Frontier announced a definitive merger agreement to be acquired by Global Crossing Ltd. ("Global Crossing"), the owner and operator of the world's first independent global fiber-optic network. The transaction is currently valued at $11.2 billion based on the March 16, 1999 closing price of Global Crossing shares. The combination of the two companies will create a global Internet Protocol-based fiber-optic network able to provide customers with integrated worldwide Internet, data, long distance, local telephone and conferencing services. Based on already announced networks, the combination will have 71,000 route miles, over 1 million fiber miles, and offer ultra-high bandwidth to 159 cities in 20 countries. It will offer global voice, web hosting, private line, ATM and Internet services.

Under the terms of the transaction, which has been unanimously approved by the Boards of Directors of both companies, Frontier shareholders will receive Global Crossing common shares valued at $62 per Frontier share, as long as Global Crossing shares trade within a range of $34.56 to $56.78 per share (the "collar") during a price period prior to closing. Outside the collar, Frontier shareholders will receive a fixed number of Global Crossing shares, 1.0919 shares at the top end of the collar and 1.7939 at the bottom of the collar. In connection with the transaction, Frontier has granted Global Crossing an option to acquire up to 19.9% of its outstanding shares at $62 per share as well as a break-up fee if the merger is terminated for certain reasons.

Based on market prices as of March 16, 1999, the merged company will be approximately two-thirds owned by current Global Crossing shareholders and one-third owned by current Frontier shareholders. The transaction is expected to qualify as a tax-free reorganization to the Frontier shareholders and is anticipated to be accounted for as a purchase. This transaction is subject to approval by shareholders of both companies, the Federal Communications Commission, state and other regulatory authorities. It is expected that the transaction will be completed in the third quarter of 1999.

Telecommunications Law

The Telecommunications Act of 1996 ("Telecommunications Act" or the "Act") was enacted on February 8, 1996. This landmark legislation significantly modified the Communications Act of 1934. The Act has particular relevance to the Company in two areas. First, the Act creates a duty on the part of the Company to interconnect its network with those of its competitors and, in particular, to negotiate in good faith the terms and conditions of such interconnection. The Act also establishes pricing rules for services sold by the Company to its competitors. The Telecommunications Act incorporated many aspects of the Open Market Plan initiated by the Company in 1993 and implemented in 1995. The Company believes its experience with the Rochester, New York Open Market Plan provides it with a competitive advantage.

Second, although the Act generally prohibits long distance companies from marketing their services jointly with the local telephone services provided by a Regional Bell Operating Company ("RBOC"), at least until that RBOC is permitted to enter the long distance business, it contains an exception for companies that serve less than two percent of the nation's presubscribed access lines, such as the Company. The Company is not a RBOC. Thus, the Act permits the Company to market its local telephone services jointly with long distance services whether provided by the Company or provided by an affiliated company.

On August 8, 1996, the Federal Communications Commission ("FCC") released a First Report and Order (the "First Report and Order") in a core rulemaking proceeding to implement the Telecommunications Act. The First Report and Order established guidelines to promote local competition, affecting the Company and all other competitors in local telecommunications markets. On July 18, 1997, the U.S. Circuit Court of Appeals for the Eighth Circuit reversed portions of the First Report and Order that provided for pricing based primarily on forward-looking, rather than historical costs, and that would have provided the FCC with substantially more authority over the compliance by local telephone companies with provisions of the Telecommunications Act. On January 25, 1999, the United States Supreme Court revised, in substantial part, the Eighth Circuit's decision. The Supreme Court affirmed the FCC's authority to promulgate rules governing the methodology by which pricing decisions are to be made. The Court also found that the Eighth Circuit should not have addressed the issue regarding the FCC's jurisdiction to enforce compliance with the Act because this issue was not ripe for review. Finally, the Court held that the FCC had not followed the statutory test for determining which network elements incumbent local exchange carriers were required to unbundle and ordered the matter sent back to the FCC for further consideration. Action at the FCC is pending.

The Act also requires the FCC to restructure the manner in which universal service support payments are established and distributed. On May 7, 1997, the FCC substantially adopted the recommendation of a Federal-State Joint Board released on November 8, 1996 with respect to universal service. The FCC's order increased the amount of financial support to be dedicated to universal service programs. The FCC has released numerous subsequent orders that have modified its original decisions. Further action is anticipated in this area.

On May 16, 1997, the FCC adopted an order that substantially modified the structure by which local exchange carriers are compensated for access to and use of their networks. This order was implemented effective January 1, 1998. In general, this order encouraged the recovery of some costs that had previously been recovered through usage-based charges to be recovered through fixed charges. The FCC has postponed implementation of portions of the order and additional change is considered likely.

On October 9, 1997, the FCC ordered carriers that receive "dial around" calls from payphones (certain calls sent without coins, such as 800 or other calls, with special access codes) to compensate payphone owners at the rate of 28.4 cents per completed call. The Court of Appeals for the District of Columbia Circuit found that the FCC had failed to justify this rate and sent the matter back to the FCC for further consideration. On February 4, 1999, the FCC set the "dial around" compensation rate at 24 cents per completed call retroactive to October 7, 1997. This decision is subject to reconsideration and appeal.

The FCC has yet to determine how to address the payphone compensation obligation for the period from November 7, 1996 through October 6, 1997. The Company is considering whether to pursue challenges to the FCC order with other carriers in light of the FCC's February 4, 1999 order. The Company cannot predict the outcome of future proceedings.

The Open Market Plan

The Company began its fifth year of operations under the Open Market Plan in January 1999. The Open Market Plan promotes telecommunications competition in the Rochester, New York marketplace by providing for (1) interconnection of competing local networks including reciprocal compensation for terminating traffic, (2) equal access to network databases, (3) access to local telephone numbers, (4) service provider telephone number portability, and (5) certain wholesale discounts to resellers of local services. Results since implementation of the Open Market Plan are considered to have been constructive for the Company as a whole.

During the seven year period of the Open Market Plan, the Company will not be regulated by rate-of-return regulation, but instead, will be regulated under pure price cap regulation. Over this period, planned rate reductions of $21.0 million (the "Rate Stabilization Plan") will be implemented for Rochester area consumers, including $16.5 million of which occurred through 1998, and an additional $1.5 million which commenced in January 1999. Rates charged for basic residential and business telephone service may not be increased during the seven year period of the Plan. The Company is allowed to raise prices on certain enhanced products such as Caller ID and call forwarding.

During the second quarter of 1997 the FCC issued decisions that are intended to implement provisions of the Telecommunications Act. Of significance were decisions that outlined changes in the structure of universal service support and in the framework that applies to certain interstate rates that are generally characterized as access-related charges. During the second and third quarters of 1997, a Federal appeals court issued a series of decisions reversing parts of an earlier FCC order that set out conditions governing the provision of interconnection services. These orders were appealed further and the U.S. Supreme Court on January 25, 1999 reinstated several portions of the FCC's order. The Company has not completed its analysis of the impact of the Supreme Court's decision.

Under the Telecommunications Act and a statewide proceeding, the New York State Public Service Commission ("NYSPSC") is considering the prices that local exchange companies in New York may charge for "unbundled" service elements such as links (the wire from the switch to the customer premise), ports (the portion of the switch that terminates the link) and switch usage features. The Company is actively participating in this proceeding and expects the NYSPSC to issue one or more decisions on service elements in 1999. The NYSPSC has issued a Notice Inviting Comments in which it has proposed to make further changes in pricing under the Open Market Plan. These pricing changes could reduce some prices to competitors for network elements and other offerings, but could also reduce the amount paid by the Company for reciprocal compensation. The issues being addressed by the NYSPSC have been under consideration since 1995. The Company cannot predict the ultimate impact of any NYSPSC action in this proceeding.

Management believes there continues to be significant market and business opportunities, as well as uncertainties, associated with the Company's Open Market Plan. There can be no assurance that the changing regulatory environment will positively impact the Company.

Dividend Policy

The Open Market Plan prohibits the payment of dividends by the Company to Frontier if (i) the Company's senior debt is downgraded to "BBB" by Standard & Poor's ("S&P"), or the equivalent rating by other rating agencies, or is placed on credit watch for such a downgrade, or (ii) a service quality penalty is imposed under the Open Market Plan. Dividend payments to Frontier also require that the Company's directors certify that such dividends will not impair the Company's service quality or its ability to finance its short and long-term capital needs on reasonable terms while maintaining an S&P debt rating target of "A".

In 1996, the Company failed to achieve the service quality levels required by the Open Market Plan. FTR requested a waiver, but was denied. The NYSPSC's ruling resulted in a restriction on the flow of cash dividends from the Company to Frontier. On October 22, 1997, the NYSPSC adopted an order requiring the Company to issue refunds of approximately $0.9 million, or $2.60 per customer. Reserves sufficient to cover the refund were established in 1996. These refunds have been issued.

On October 15, 1998, the NYSPSC approved a proposal by the Company for revision of its service incentive plan that:

- required a rebate of $8.00 per customer to resolve all service penalties for 1997 and 1998, such rebates have been issued,
- established a rebate/client program for missed appointments, and
- increased the amounts at risk for the period 1999-2001 should the Company fail to meet service levels.

In 1998, the Company completed commitments to the NYSPSC to increase capital expenditures to a minimum of $80.0 million and added employees in service-affecting areas.

The temporary restriction of dividend payments to Frontier will remain in place until the NYSPSC is satisfied that the Company's service levels demonstrate that the Company has rectified the service deficiency.

Employees and Labor Relations

As of December 31, 1998 the Company had 1,616 employees, of which 253 were management employees and 1,363 were clerical, service and craft workers. The Frontier Telephone of Rochester, Inc. Workers Association ("RTWA") represents 633 of such clerical and service workers and the Communications Workers of America, Local 1170 ("CWA Local") represents 730 craft and service workers. The union labor contracts are normally negotiated in three year cycles.

Under the current three-year contract between the Company and the RTWA, effective August 10, 1997, bargaining unit employees will receive a 2.0% general increase on August 15, 1999. On August 16, 1998 they received a 2.0% general increase. On February 18, 1996 and February 16, 1997 they received a 1.0% general increase.

On January 31, 1996, the CWA Local contract expired.

The contract negotiations reached an impasse, and the Company implemented the terms of its final offer as of April 9, 1996. Members of the CWA Local ratified a tentative agreement with the Company on April 29, 1997 which contained provisions that differed from the Company's final offer implemented at the time of impasse. The differences between the Company's final offer and the agreement that was subsequently reached and ratified by CWA Local membership were not material. This agreement provided several operational improvements and resulted in a more consistent alignment of benefits with the rest of Frontier. The CWA Local continued to appeal one issue with the National Labor Relations Board ("NLRB") related to the declaration of impasse. In October 1998, the administrative law judge found in favor of the Company. Presently, the Union and the government are appealing to the NLRB. The Company cannot predict the final outcome of this matter at the present time. The CWA Local and the Company reached a new three year agreement in December 1998 which is not scheduled to expire until January 2002.

Year 2000 Issues

The Company's Year 2000 ("Year 2K") project is intended to address potential processing errors in computer programs that use two digits (rather than four) to define the applicable year. The Company's assessment of Year 2K issues is essentially complete. Disclosure is warranted because the issues, if unresolved by the Company and by the many unaffiliated carriers and other firms with whom the Company interconnects its networks or does business, could have impacts that are material. The Company addresses Year 2K issues in four areas:

State of Readiness. The Company has developed plans to assess and remediate key internally-developed computer systems so they will be Year 2K compliant in advance of December 31, 1999 and has implemented those plans to a significant degree. The plans include both information technology ("IT") and non-IT compliance. The plans cover the review, and either modification or replacement where necessary, of portions of the Company's computer applications, telecommunications networks, telecommunications equipment and building facility equipment that directly connect the Company's business with customers, suppliers and service providers. Implementation of the plan began in 1996 and the Company believes that substantially all of its internally-developed IT systems are now compliant. Final assessments and remediation are expected to be substantially complete by midyear 1999, leaving the remainder of 1999 for additional system testing, carrier interoperability testing and other remediation. These plans involve capital expenditures for new software and hardware, as well as costs to modify existing software. This could include replacement of individual end user equipment. Initially, work with IT systems was given priority over work with non-IT systems, but the Company, in part through the staff of Frontier, is comprehensively reviewing its non-IT Year 2K readiness as well, including communications with third parties who supply or maintain non-IT systems or significant non-IT subsystems.

The Company has given special attention to the Year 2K issues involved in its network, switches and billing systems, and will continue to dedicate significant resources to these areas as a priority. The Company has also increased its resources in areas in which assessment and remediation has not yet reached a point where management is satisfied with progress.

Costs. To date, the Company has committed approximately $0.8 million to Year 2K issues, and anticipates that it will spend an additional $1.0 to $2.6 million during 1999. This includes costs directly related to Year 2K assessment and remediation and the replacement of non-compliant systems, including acceleration of replacement of non-compliant systems due to Year 2K issues. A substantial portion of the total amount has been used for third party assistance in assessment and remediation. Another $0.2 million may be spent to replace end user equipment. The source of these funds is cash generated from operations. The Year 2K projects have not caused the Company to forego or defer, to any material degree, other critical IT projects. To date, the costs of addressing potential Year 2K problems are not considered material to the Company's financial condition, results of operations or cash flows and have been consistent with planned expenditures, and future costs are not expected to be material in such respects.

Risks. The Company is engaged primarily in telecommunications lines of business and therefore connects directly and indirectly with thousands of other carriers. These connections are made through switching offices of the Company and the other carriers. The switching offices were manufactured by and often maintained by third parties. While many other carriers have announced plans to engage independently in Year 2K assessment and remediation for their networks, there is a risk that some carriers will not address or resolve Year 2K issues, and that telecommunications will therefore be affected. If this were to occur, it is likely that the Company would be affected only to the same degree as the other carriers in the telecommunications industry. A Year 2K failure in the network of smaller carriers would not be likely to have a significant impact on telecommunications generally, or on the Company. However, addressing these risks is outside the Company's control. In addition, the Company is unable at this time to assess the degree to which the manufacturers of switches and similar equipment have completed their assessment and remediation of such equipment and its associated software with respect to any other carriers. The majority of the Company's switches are manufactured and supported by entities with a broad base of similarly situated customers, and who have a vested interest in assuring that their products will not be affected by Year 2K events, and if affected, will be remedied promptly. The Company has initiated an inquiry with its primary vendors and continues to engage in discussions related to Year 2K compliance with many of them. Another risk to the Company arises with respect to the timely completion of Year 2K remediation for the processing that occurs in the Company's IT and non-IT systems, including billing systems. If the Company or its vendors are unable to resolve such processing issues in a timely manner, it could pose independent risks to the Company's business that could be material. Accordingly, the Company has devoted resources it believes to be adequate to resolve all significant identified Year 2K issues in a timely manner, and has undertaken plans to make information available to customers and others related to its Year 2K activities. Consistent with the practice of other carriers, the Company generally has declined to provide Year 2K compliance warranties or other Year 2K-related contractual promises to customers or other persons. In addition, the Company is engaged in communications with third party equipment and software vendors and suppliers of services to verify their Year 2K readiness, and plans to engage in internetwork testing with other carriers during 1999. Since Frontier's Optronics network, including the recently announced southeast expansion, is expected to be substantially deployed before December 31, 1999, the Company anticipates that the impact of other carriers who may experience business interruptions would be lessened, and such interruptions are not currently expected to have material adverse impacts on the Company.

Contingency Plans. The Company consistently monitors the progress of its Year 2K program. The Company currently anticipates that it will resolve its Year 2K issues before the end of 1999, with the exception of any issues that involve other carriers or suppliers and that are outside of its control. During 1999, the Company will also monitor efforts undertaken through regulatory agencies (including the NYSPSC) and industry groups to assure that Year 2K preparations are completed in a timely manner. The Company has begun to evaluate whether there are areas for which contingency plans are appropriate (but has not identified any such areas to date). Any need for contingency planning will be identified well before year end. The Company has experience in manual billing for its customers and will always have manual processes available to it. Contingency plans will be developed for critical systems if conversion or replacement projects fall behind schedule, or if internetwork testing should identify significant risk issues, or if broader industry concerns emerge that management concludes require such action.

Environmental and Other Matters

Except for site specific issues, environmental issues tend to impact members of the telecommunications industry in consistent ways. The Environmental Protection Agency ("EPA") and other agencies regulate a number of chemicals and substances that may be present in facilities used in the provision of telecommunications service. These include preservatives in some wood poles, asbestos in certain underground duct systems and lead in some cable sheathing. Some components of the Company's network may include one or more of these substances. The Company believes that, in their present uses, any such facilities of the Company pose no significant environmental or health risk that derives from EPA regulated substances. If EPA regulation of any such substance is increased, or if any facilities are disturbed or modified in such a way as to require removal, special handling, storage and disposal may be required for any such facilities removed from use. The Company is not subject to any environmental litigation that requires disclosure at this time.

Risk Factors

This Report on Form 10-K and the documents incorporated by reference include forward-looking statements as described under the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those identified in forward-looking statements. Forward-looking statements are identified by such words as "expects," "anticipates," "believes," "intends," "plans" and variations of such words and similar expressions.

Changes in Rates of Growth of the Economy and the Overall Industry

To some extent, the Company's revenue growth is related to the overall economy and to the telecommunications industry in general. Factors that may influence the Company's performance within the telecommunications industry include product pricing and development, integration of services, the effects of competition and the expansion of the business. The performance of the economy and the telecommunications industry could cause the Company's actual results to vary significantly.

Competition Risk

Technological innovation and regulatory changes are accelerating the pace of competition for telecommunications services. As a result, the Company faces intensified competition in all aspects of providing telecommunications services.

There are significant uncertainties surrounding the introduction of new products and services and the capital expenditures that will be required by the Company to remain in a competitive position. In addition, there are uncertainties surrounding the impact on competition as a result of the enactment of the Telecommunications Act.

Contingent Liabilities

The Company is often involved in various judicial and administrative proceedings involving matters incidental to the business. Unless otherwise stated specifically, the Company believes that the probable outcome of any of these matters, or the combination of all of the matters, will not have a material adverse effect on the Company's results of operations or financial position. However, there can be no assurance that the resolution of these matters will not be contrary to management's expectations.

ITEM 2. PROPERTIES

The Company owns its telephone property, which includes: connecting lines between customers' premises and the central office switching equipment, buildings, land and miscellaneous property and customer premises equipment. Central office switching equipment includes digital electronic switches and peripheral equipment. Connecting lines include aerial and underground cable, conduit, poles, wires and microwave equipment. These facilities are located on public streets and highways or on privately owned land. The Company has permission to use these lands pursuant to local governmental consent or lease, permit, franchise, easement or other agreement.

The Company owns or leases the land and buildings in which its central office, warehouse space, office and traffic headquarters are located. The Company's headquarters are located in a leased seven-story building at 180 South Clinton Avenue, Rochester, New York which it shares with other Frontier affiliates. The lease expires in December 2014.

ITEM 3. LEGAL PROCEEDINGS

AT&T Communications of New York filed a complaint with the NYSPSC for reconsideration of the Open Market Plan on October 3, 1995. The complaint sought a change in the wholesale discount, a change in the minutes of use surcharge and also changes in a number of operational and support activities. Some of these issues are also being considered in other states in other unrelated local competition proceedings. On July 18, 1996, the NYSPSC increased the wholesale discount from 5.0% to 13.5% on a temporary basis, effective July 24, 1996. On November 27, 1996, the NYSPSC established permanent wholesale discounts, retroactive to July 24, 1996, of 17.0% for resellers using the Company's operator services and 19.6% for resellers providing their own operator services. In a statewide proceeding also examining New York Telephone Company's and the Company's wholesale prices, the NYSPSC is determining the prices applicable to the purchase of unbundled network elements such as subscriber loops, switch ports and transport and switching services. In a related statewide proceeding, the NYSPSC is also examining possible changes in the prices and rate structure of intrastate access charges paid by long distance companies for the origination and termination of long distance calls.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Omitted pursuant to General Instruction I.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company is a wholly-owned subsidiary of Frontier. There is no established public trading market for the no par value, common stock of the Company.

The Open Market Plan, discussed under Item 1, imposes conditions on the declaration of dividends from the Company to Frontier such that the Company may only pay dividends on its common stock when the payment of such dividends will not impair the Company's service quality or its ability to finance its short and long-term capital needs on reasonable terms, while maintaining specified debt ratings (a target debt rating of "A" from S&P). Payment of dividends is also restricted when certain service quality measures fall below minimum levels stipulated in the Open Market Plan as discussed in Item 1.

ITEM 6. SELECTED FINANCIAL DATA

Omitted pursuant to General Instruction I.

ITEM 7. MANAGEMENT'S DISCUSSION OF RESULTS OF OPERATIONS AND ANALYSIS OF FINANCIAL CONDITION

The information presented in this Management's Discussion of Results of Operations and Analysis of Financial Condition should be read in conjunction with the financial statements and accompanying notes of Frontier Telephone of Rochester, Inc. ("FTR" or the "Company") (formerly Rochester Telephone Corp.) for the three years ended December 31, 1998.

The matters discussed throughout this Form 10-K, except for historical financial results contained herein, may be forward-looking in nature or "forward-looking statements." Actual results may differ materially from the forecasts or projections presented. Forward-looking statements are identified by such words as "expects," "anticipates," "believes," "intends," "plans" and variations of such words and similar expressions. The Company believes that its primary risk factors include, but are not limited to: changes in the overall economy in Rochester, New York, the nature and pace of technological change, the number and size of competitors in the Company's market, changes in law and regulatory policy and the mix of products and services offered in the Company's markets. Any forward-looking statements in this Form 10-K should be evaluated in light of these important risk factors.

RESULTS OF OPERATIONS

Revenues were $336.9 million in 1998, a $10.1 million, or 3.1% increase from 1997. Revenues in 1997 increased $5.0 million or 1.5% over 1996. The Company experienced revenue growth from increased demand for dedicated circuits, enhanced features, expansion of the Internet customer base and increased directory yellow page advertising. The growth in revenue continues to be negatively impacted by the increase in the discount to wholesale providers from 5% to 17.0%, as ordered by the NYSPSC, and the $1.5 million annual rate reduction, effective January 1, 1997, associated with the Open Market Plan. In addition, new interstate access rates, which became effective July 1, 1998 and 1997, have reduced revenues.

Costs and expenses were $242.9 million in 1998 as compared with 1997 expenses of $233.5 million and $233.0 million (excluding pension curtailment) in 1996. This increase is attributable to service quality improvements, higher operating costs for repair and maintenance in 1998 and an increase in customer service costs due to access line growth. A portion of the increase in repair and maintenance costs was caused by severe weather conditions that occurred during the first half of 1998, as well as a severe windstorm during the third quarter of 1998. Costs and expenses for 1996 include a post-tax charge of $17.3 million resulting from the curtailment of certain company pension plans. The pension curtailment is a result of Frontier's efforts to standardize pension benefits across the Corporation. Reduced selling, administrative and depreciation costs in 1996 were offset by increased costs associated with the union contract negotiations. These costs, which were incurred in connection with the contract negotiations with CWA Local, were necessary to ensure reliable and uninterrupted customer service in the event of a work stoppage or shutdown.

Depreciation and amortization expense for 1998 increased $1.6 million or 2.8% from 1997. Depreciation and amortization expense increased $0.7 million or 1.3% from 1996 to 1997. The increases are primarily due to capital additions to telephone plant and equipment in service during 1998 and 1997.

Other Income Statement Items

Interest Expense

Interest expense was $1.7 million in 1998, a decrease of $0.6 million or 26.8% over 1997. Interest expense of $2.3 million in 1997 decreased $0.8 million or 24.6% over 1996. Reductions in interest expense in 1998 and 1997 as compared to 1996 are the result of lower average outstanding debt levels as well as lower interest rates.

FINANCIAL CONDITION

Review of Cash Flow Activity

Cash provided from operating activities amounted to $135.6 million in 1998 as compared to $94.7 million in 1997 and $106.4 million in 1996. The increase is the result of improved operating results.

Cash used for investing activities was $84.4 million, $57.8 million and $53.1 million in 1998, 1997 and 1996, respectively. The increase in capital expenditures in 1998 compared to 1997 is primarily due to technological expenditures driven by technological advancements, expansion of the network to meet customer demand and service quality improvements. The increase in capital expenditures in 1997 compared to 1996 is primarily due to outside plant facility upgrades.

Financing activities resulted in net cash outflows of $0.5 million, $38.1 million and $55.4 million for 1998, 1997 and 1996, respectively. During 1998, the Company repaid advances to affiliates of $0.5 million. During 1997, the Company repaid commercial paper borrowings of $22.9 million and advances to affiliates of $15.2 million. In 1996, the Company paid cash dividends of $23.5 million, returned capital to Frontier of $32.5 million, repaid advances to Frontier in the amount of $1.9 million and increased borrowings under its commercial paper program by $2.6 million. No cash dividends were paid to Frontier during 1998 or 1997.

Liquidity and Capital Resources

At December 31, 1998, the Company's total outstanding long-term debt amounted to $40.0 million of medium-term notes. The notes were issued March 27, 1995 and mature in 2002. During November 1998, the Company cancelled its $50.0 million credit facility which was due to expire during December 1999.

On March 31, 1997, S&P announced their new domestic telephone company rating methodology, which addresses the impact of deregulation on operating and holding company ratings. As a result, the ratings of 16 companies were affected by S&P's announcement, and S&P lowered their rating of the Company's long-term debt from "AA" to "AA-". Under S&P's revised rating methodology, a local telephone company is typically allowed a rating one "notch" higher than that of the consolidated entity (i.e., holding company and operating subsidiaries). However, the Company was allowed a two "notch" differential, largely as a result of the regulatory controls in existence under the Company's Open Market Plan.

Debt Ratio and Interest Coverage

The Company's debt to total capital ratio at December 31, 1998 decreased to 10.2%, as compared to 12.1% in the prior year and 21.4% in 1996. The change in the debt ratio in 1998 and 1997 as compared to 1996 is primarily driven by the reduction in total debt outstanding as the Company paid off commercial paper borrowings with excess cash. Pre-tax interest coverage, which measures the Company's ability to cover its financing costs, was 30.4 times in 1998 versus 24.7 times in 1997 and 20.1 times in 1996 (excluding nonrecurring charges for all years).

Capital Spending

Total gross expenditures for property, plant and equipment in 1999 are anticipated to be $15 million to $20 million higher than in 1998. These expenditures are primarily attributable to technological advancements, expansion of the network to meet customer demand and service quality improvements. The Company anticipates financing its capital program through internally generated cash from operations.

OTHER ITEMS

New Accounting Pronouncements

The Financial Accounting Standards Board ("FASB") issued FAS 130, "Reporting Comprehensive Income," effective for fiscal years beginning after December 15, 1997. This statement establishes standards for reporting and displaying of comprehensive income and its components in a full-set of general-purpose financial statements. The Company adopted FAS 130 in the first quarter of 1998. There were no items of comprehensive income during the year ended December 31, 1998; therefore, net income is equivalent to total comprehensive income.

The Company has adopted the provisions of FAS 131, "Disclosures about Segments of an Enterprise and Related Information," effective December 31, 1998. This statement establishes annual and interim reporting standards for an enterprise's business segments and related disclosures about its products, services, geographic areas and major customers. Adoption of this statement did not impact the Company's financial position, results of operations or cash flows.

The FASB issued FAS 133, "Accounting for Derivative Instruments and Hedging Activities" effective for fiscal years beginning after June 15, 1999. This statement standardizes the accounting for derivatives and hedging activities and requires that all derivatives be recognized in the statement of financial position as either assets or liabilities at fair value. Changes in the fair value of derivatives that do not meet the hedge accounting criteria are to be reported in earnings. Adoption of this standard is not expected to have a material effect on the Company's financial position, results of operations or cash flows.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As of December 31, 1998, the Company does not have any significant concentration of business transacted with a particular customer, supplier or lender that could, if suddenly eliminated, severely impact its operations.

The Company is also exposed to market risk from changes in interest rates on long-term debt obligations that impact the fair value of these obligations. The Company's policy is to manage interest rates through the use of a combination of fixed and variable rate debt.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements, together with the report thereon of PricewaterhouseCoopers LLP, dated January 25, 1999, are presented on pages 17 through 34 of this Form 10-K report and is incorporated by reference into this Item 8.

Report of Independent Accountants

To the Shareholder of
Frontier Telephone of Rochester, Inc.

In our opinion, the accompanying balance sheets and the related statements of income, shareholder's equity and cash flows present fairly, in all material respects, the financial position of Frontier Telephone of Rochester, Inc. (formerly Rochester Telephone Corp.) at December 31, 1998, 1997 and 1996, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

As discussed in Note 9 to the financial statements, during the first quarter of 1996 the Company adopted the provisions of Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of."

/s/PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Rochester, New York
January 25, 1999

<TABLE>

Frontier Telephone of Rochester, Inc.
Business Segment Information

<CAPTION>

In thousands of dollars Years Ended December 31,	1998	1997	1996
<S>	<C>	<C>	<C>
Local Services:			
Revenue	$300,646	$292,417	$287,785
Costs and Expenses	170,917	164,526	182,444
Depreciation and Amortization	56,545	54,984	54,291
Operating Income	$ 73,184	$ 72,907	$ 51,050
Total Assets	$488,537	$410,153	$397,697
Directory Services:			
Revenue	$ 36,256	$ 34,377	$ 34,053
Costs and Expenses	15,471	14,020	13,585
Operating Income	$ 20,785	$ 20,357	$ 20,468
Total Assets	$ 16,261	$ 20,332	$ 18,219
Consolidated			
Revenue	$336,902	$326,794	$321,838
Costs and Expenses	186,388	178,546	196,029
Depreciation and Amortization	56,545	54,984	54,291
Operating Income	$ 93,969	$ 93,264	$ 71,518
Total Assets	$504,798	$430,485	$415,916

See accompanying Notes to Financial Statements.
</TABLE>

<TABLE>

Frontier Telephone of Rochester, Inc.
Statements of Income

<CAPTION>

In thousands of dollars Years Ended December 31,	1998	1997	1996
<S>	<C>	<C>	<C>
Revenues	$336,902	$326,794	$321,838
Costs and Expenses			
Operating expenses	163,094	155,718	157,197
Depreciation and amortization	56,545	54,984	54,291
Taxes other than income taxes	23,294	22,828	21,492
Pension curtailment	-	-	17,340
Total Costs and Expenses	242,933	233,530	250,320
Operating Income	93,969	93,264	71,518
Interest expense	1,713	2,341	3,105
Other income (expense), net	1,097	(640)	(2,304)
Income Before Taxes and Cumulative Effect of Changes in Accounting Principles	93,353	90,283	66,109
Income taxes	32,630	31,610	23,169
Income Before Cumulative Effect of Changes in Accounting Principles	60,723	58,673	42,940
Cumulative effect of changes in accounting principles	-	-	(6,949)
Net Income	$ 60,723	$ 58,673	$ 35,991

See accompanying Notes to Financial Statements.
</TABLE>

<TABLE>
Frontier Telephone of Rochester, Inc.
Balance Sheets
<CAPTION>

In thousands of dollars December 31,	1998	1997	1996
<S>	<C>	<C>	<C>
ASSETS			
Current Assets			
Cash and cash equivalents	$ 53,103	$ 2,406	$ 3,591
Accounts receivable (less allowance for uncollectibles of $5,082, $2,646 and $1,501, respectively)	37,779	45,673	47,777
Accounts receivable - affiliates	3,200	4,382	2,670
Advances to affiliates	11,933	11,421	-
Materials and supplies	336	710	2,006
Prepaid directory	14,200	13,934	12,463
Other prepayments	2,014	1,425	1,406
Total Current Assets	122,565	79,951	69,913
Property, plant and equipment, net	360,648	333,406	330,552
Prepaid pension	20,619	16,419	14,204
Deferred and other assets	966	709	1,247
Total Assets	$504,798	$430,485	$415,916
LIABILITIES AND SHAREHOLDER'S EQUITY			
Current Liabilities			
Accounts payable	$ 36,457	$ 29,904	$ 31,759
Accounts payable - affiliates	8,534	6,820	19,022
Advances from affiliate	-	-	3,827
Advance billings	4,648	4,707	4,994
Accrued taxes	5,466	2,439	3,047
Other liabilities	7,003	6,585	5,908
Total Current Liabilities	62,108	50,455	68,557
Long-term debt	40,000	40,000	62,872
Deferred income taxes	19,124	21,448	25,266
Accrued postretirement benefit obligation	29,287	25,327	23,176
Other long-term liabilities	2,718	2,417	4,971
Total Liabilities	153,237	139,647	184,842
Shareholder's Equity			
Common stock, no par, authorized 1,000 shares; 772 shares in 1998, 1997 and 1996 issued and additional paid in capital	232,165	232,165	231,074
Retained earnings	119,396	58,673	-
Total Shareholder's Equity	351,561	290,838	231,074
Total Liabilities and Shareholder's Equity	$504,798	$430,485	$415,916

See accompanying Notes to Financial Statements.
</TABLE>

<TABLE>
Frontier Telephone of Rochester, Inc.
Statements of Shareholder's Equity
<CAPTION>

In thousands of dollars	Common Stock and Additional Paid in Capital	Retained Earnings (Deficit)	Total
<S>	<C>	<C>	<C>
Balance, January 1, 1996	$263,537	$ (12,454)	$251,083
Net income	-	35,991	35,991
Common stock dividends	-	(23,537)	(23,537)
Return of capital to Frontier Corporation	(32,463)	-	(32,463)

Balance, December 31, 1996	231,074	-	231,074
Net income	-	58,673	58,673
Equity adjustment on assets transferred 1/95	1,091	-	1,091
Balance, December 31, 1997	232,165	58,673	290,838
Net income	-	60,723	60,723
Balance, December 31, 1998	$232,165	$119,396	$351,561

See accompanying Notes to Financial Statements.

</table

</TABLE>
<TABLE>

Frontier Telephone of Rochester, Inc.
Statements of Cash Flows

<CAPTION>

In thousands of dollars Years Ended December 31,	1998	1997	1996
<S>	<C>	<C>	<C>
Operating Activities			
Net Income	$ 60,723	$ 58,673	$ 35,991
Adjustments to reconcile net income to net cash provided by operating activities:			
Cumulative effect of changes in accounting principles	-	-	10,691
Pension curtailment	-	-	17,340
Depreciation and amortization	56,545	54,984	54,291
Changes in operating assets and liabilities:			
Decrease in accounts receivable	7,894	2,104	6,673
Decrease (increase) in accounts receivable - affiliates	1,182	(1,712)	(397)
Decrease in materials and supplies	374	1,296	1,078
(Increase) decrease in prepaid directory	(266)	(1,471)	575
(Increase) decrease in other prepayments	(589)	(19)	346
Increase in prepaid pension	(4,200)	(2,215)	(1,240)
Decrease in deferred and other assets	381	470	325
Increase (decrease) in accounts payable	6,553	(1,855)	(12,294)
Increase (decrease) in accounts payable - affiliates	1,714	(12,202)	7,557
Decrease in advance billings	(59)	(287)	(126)
Increase (decrease) in accrued taxes	3,027	(608)	(2,555)
Increase in other liabilities	418	677	388
Decrease in deferred income taxes	(2,324)	(2,727)	(10,930)
Increase in accrued postretirement benefit obligation	3,960	2,151	2,923
Increase (decrease) in other long-term liabilities	301	(2,554)	(4,267)
Total adjustments	74,911	36,032	70,378
Net cash provided by operating activities	135,634	94,705	106,369
Investing Activities			
Expenditures for property, plant and equipment, net	(84,425)	(57,770)	(53,067)
Net cash used in investing activities	(84,425)	(57,770)	(53,067)
Financing Activities			
Repayments of debt	-	(22,872)	-
Proceeds from issuance of long-term debt	-	-	2,572
Advances to affiliates	(512)	(15,248)	(1,926)
Dividends paid	-	-	(23,537)
Return of capital to Frontier Corporation	-	-	(32,463)
Net cash used in financing activities	(512)	(38,120)	(55,354)
Net Increase (Decrease) in Cash & Cash Equivalents	50,697	(1,185)	(2,052)

Cash and Cash Equivalents at Beginning of Year	2,406	3,591	5,643
Cash and Cash Equivalents at End of Year	$ 53,103	$ 2,406	$ 3,591

See accompanying Notes to Financial Statements.
</TABLE>

Note 1: Accounting Policies

Basis of Accounting

The accounting policies of Frontier Telephone of Rochester, Inc. ("FTR" or the "Company") (formerly Rochester Telephone Corp.), a wholly-owned subsidiary of Frontier Corporation ("Frontier"), are in conformity with generally accepted accounting principles. Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Allocation of Corporate Overhead

The results of operations of the Company include allocations of corporate expenses from Frontier. These costs primarily include executive and board of directors' expenses, corporate finance and treasury, investor relations, corporate planning, legal services, business development and data processing services and support. They are allocated to the Company based on a weighted average of four factors: employees, revenues, capitalization and common equity. The methodology used to allocate these common corporate costs is considered reasonable and has been approved for use by the New York State Public Service Commission ("NYSPSC") prior to the separation of the companies under the Open Market Plan agreement (see Note 11).

Materials and Supplies

Materials and supplies are stated at the lower of cost or market, based on weighted average unit cost.

Property, Plant and Equipment

The investment in property, plant and equipment is recorded at cost. Improvements that significantly add to productive capacity or extend useful life are capitalized, while maintenance and repairs are expensed as incurred. The Company's provision for depreciation of property, plant and equipment is based on the composite group method using estimated service lives for the various classes of plant.

The cost of depreciable property units retired, plus removal costs, less salvage is charged to accumulated depreciation. When non-telephone property, plant and equipment is retired or sold, the resulting gain or loss is recognized currently as an element of other income.

Fair Value of Financial Instruments

Cash and cash equivalents are valued at their carrying amounts, which are reasonable estimates of fair value. The fair value of long-term debt is estimated using rates currently available to the Company for debt with similar terms and maturities. The fair value of all other financial instruments approximates cost as stated.

Federal Income Taxes

The Company is included in the consolidated federal income tax return of Frontier. The Company pays Frontier for the federal income tax liability resulting from the filing by Frontier of a consolidated U.S. federal income tax return, determined on a separate entity basis. Deferred income tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when those differences are expected to reverse.

Common Stock and Additional Paid in Capital

In the first quarter of 1997, a $1.1 million adjustment to this valuation was required relating to deferred taxes associated with the assets transferred. This adjustment is reflected as an increase to common stock and additional paid in capital and a decrease to deferred taxes.

Revenue Recognition

Customers are billed as of monthly cycle dates. Revenue is recognized as service is provided net of an estimate for uncollectible accounts. Unbilled usage is accrued.

Cash Flows

For purposes of the Statements of Cash Flows, the Company considers all highly-liquid investments with an original maturity of three months or less to be cash equivalents.

Actual interest paid was $3.1 million in 1998, $3.8 million in 1997 and $4.3 million in 1996. Actual income taxes paid were $32.8 million in 1998, $34.7 million in 1997 and $31.3 million in 1996. Interest costs associated with the construction of capital assets are capitalized. Total amounts capitalized during 1998, 1997 and 1996 were $1.4 million, $1.4 million and $1.2 million, respectively.

Note 2: Property, Plant and Equipment

Major classes of property, plant and equipment are summarized below:
<TABLE>
<CAPTION>

In thousands of dollars At December 31,	1998	1997	1996	Estimated Service Life (Years)
<S>	<C>	<C>	<C>	<C>
Land and buildings	$47,430	$47,316	$ 47,128	5-35
Local and fiber service lines	465,097	448,505	438,989	12-25
Central office equipment	381,278	340,435	322,943	8-13.5
Station equipment	12,132	11,673	13,357	10-21
Office equipment and other	39,260	35,302	49,192	12-20
Plant under construction	52,965	47,248	25,068	
Less: Accumulated Depreciation	637,514	597,073	566,125	
	$360,648	$333,406	$330,552	

</TABLE>

Depreciation expense was $57.2 million, $54.9 million and $54.1 million for the years ending December 31, 1998, 1997 and 1996, respectively.

Note 3: Long-Term Debt
<TABLE>
<CAPTION>

In thousands of dollars At December 31,	1998		1997	1996
<S>	<C>	<C>	<C>	<C>
Medium-term notes, 7.51%, due 2002	$40,000	(a)	$40,000	$40,000
Revolving credit agreements	-	(b)	-	22,876
Sub-total	40,000	(c)	40,000	62,876
Less - Discount on long-term debt, net of premium	-		-	4
Total Long-Term Debt	$40,000		$40,000	$62,872

</TABLE>

(a) In accordance with the Open Market Plan agreement, the Company issued $40.0 million medium-term notes in March 1995 which mature in 2002.

(b) The Company entered into a Revolving Credit Agreement with six commercial banks in December 1994. The Agreement was amended in 1997 to reduce the available line of credit from $100.0 million to $50.0 million. During November 1998, the Company cancelled the Revolving Credit Agreement.

(c) In accordance with FAS 107, "Disclosures about Fair Value of Financial Instruments," the Company estimates that the fair value of the debt, based on rates currently available to the Company for debt with similar terms and remaining maturities, is $42.3 million, as compared to the carrying value of $40.0 million.

Note 4: Income Taxes

The provision for income taxes consists of the following for the years ended December 31:

<TABLE>
<CAPTION>

In thousands of dollars	1998	1997	1996
<S>	<C>	<C>	<C>
Federal			
Current	$34,954	$34,331	$30,357
Deferred	(2,324)	(2,721)	(7,188)
	$32,630	$31,610	$23,169

</TABLE>

The Company is taxed under Article 9 of the New York State Tax Law on the basis of gross receipts, not net taxable income. Therefore, there is no current state tax provision for income taxes.

The reconciliation of the federal statutory income tax rate with the effective income tax rate reflected in the financial statements is as follows for the years ended December 31:

<TABLE>
<CAPTION>

In thousands of dollars	1998	1997	1996
<S>	<C>	<C>	<C>
Federal income tax expense at statutory rate	35.0%	35.0%	35.0%
Miscellaneous	-	-	0.1%
Total federal income tax	35.0%	35.0%	35.1%

</TABLE>

Deferred tax (assets) liabilities are comprised of the following at December 31:

<TABLE>
<CAPTION>

In thousands of dollars	1998	1997	1996
<S>	<C>	<C>	<C>
Accelerated depreciation	$25,175	$26,306	$29,346
Prepaid pension	6,198	5,734	5,094
Miscellaneous	516	253	443
Gross deferred tax liabilities	31,889	32,293	34,883
Accrued postretirement benefit obligation	(9,730)	(9,574)	(8,598)
Deferred compensation	(273)	(297)	-
Bad debt expense	(1,949)	(255)	(527)
Miscellaneous	(813)	(719)	(492)
Gross deferred tax assets	(12,765)	(10,845)	(9,617)

Net deferred tax liabilities	$19,124	$21,448	$25,266

</TABLE>

Note 5: Service Pensions and Benefits

The Company has contributory and noncontributory plans providing for service pensions and certain death benefits for substantially all employees. In 1996, defined benefit plans sponsored by the Company were frozen. On an annual basis, contributions are remitted to the trustees to ensure proper funding of the plans.

The following tables summarize the funded status of the Company's pension plan and the related amounts that are primarily included in "Deferred and other assets" in the Balance Sheets.

<TABLE>
<CAPTION>

In thousands of dollars	1998	1997	1996
<S>	<C>	<C>	<C>
Change in Benefit Obligation			
Benefit obligation at beginning of year	$66,804	$96,551	$ 88,098
Service cost	-	842	3,226
Interest cost	3,974	4,299	5,976
Actuarial loss (gain)	4,076	11,685	(22,619)
Transfer of obligation to Corporate	(14,709)	(47,310)	-
Curtailments	-	737	15,000
Other adjustments	-	-	6,870
Benefit obligation at end of year	$60,145	$66,804	$ 96,551
Change in Plan Assets			
Fair value of plan assets at beginning of year	$91,463	$125,184	$102,477
Actual return on plan assets	13,234	13,589	15,837
Transfer of obligation to Corporate	(14,709)	(47,310)	-
Other adjustments	-	-	6,870
Fair value of plan assets at end of year	$89,988	$91,463	$125,184
Funded status	29,843	24,659	28,633
Unrecognized net transition asset	-	(3)	(607)
Unrecognized net gain	(9,224)	(8,237)	(13,822)
Prepaid benefit cost, net	$20,619	$16,419	$ 14,204

</TABLE>

<TABLE>
<CAPTION>

The net periodic pension cost consists of the following for the years ended December 31:

In thousands of dollars	1998	1997	1996
<S>	<C>	<C>	<C>
Service cost	$ -	$ 842	$ 3,226
Interest cost on projected benefit obligation	3,974	4,299	5,976
Return on plan assets	(7,233)	(13,589)	(15,837)
Net amortization and deferral	(2,394)	5,496	5,395
Net periodic pension benefit	(5,653)	(2,952)	(1,240)
Amount expensed due to curtailment	-	-	17,340
Net periodic pension (benefit) cost	$(5,653)	$ (2,952)	$16,100

</TABLE>

<TABLE>

<CAPTION>

The following rates and assumptions were used to calculate the projected benefit obligation:

Years Ended December 31,	1998	1997	1996
Weighted average discount rate	6.8%	7.0%	7.5%
Rate of salary increase	5.0%	5.0%	5.0%
Expected return on plan assets	9.5%	9.5%	9.0%

</TABLE>

The Company's funding policy is to make contributions for pension benefits based on actuarial computations which reflect the long-term nature of the pension plan. However, under FAS 87, "Employers' Accounting for Pensions," the development of the projected benefit obligation essentially is computed for financial reporting purposes and may differ from the actuarial determination for funding due to varying assumptions and methods of computation. The Company changed its assumptions used in 1998 and 1997 for the weighted average discount rate. In 1997, the Company changed its assumptions for the expected return on plan assets. These changes in assumptions did not have a material effect on 1998 or 1997 pension expense.

In 1996, the Company recognized a curtailment loss of $17.3 million reflecting the freezing of defined benefit plans by Frontier for certain bargaining unit employees.

The Company also sponsors a number of defined contribution plans. The most significant plan covers non-bargaining employees, who can elect to make contributions through payroll deduction. Effective January 1, 1996, the Company provides a contribution of .5 percent of gross compensation in Frontier common stock for every employee eligible to participate in the plan. The Frontier common stock used for matching contributions is purchased on the open market by the plan's trustee. The Company also provides 100% matching contributions in Frontier common stock up to three percent of gross compensation, and may, at the discretion of the Management Benefit Committee, provide additional matching contributions based upon Frontier's financial results. The total cost recognized for defined contribution plans was $2.2 million for 1998, $1.7 million for 1997 and $1.2 million for 1996.

Note 6: Postretirement Benefits Other Than Pensions

The Company provides health care and life insurance benefits to most employees. Plan assets consist principally of life insurance policies and money market instruments. In adopting FAS 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," the Company elected to defer the recognition of the transition benefit obligation of $90 million over a period of twenty years. During 1996, the Company amended its health care benefits plan to cap the cost absorbed by the Company for health care and life insurance for its bargaining unit employees who retire after December 31, 1996. The effect of this amendment was to reduce the December 31, 1996 accumulated postretirement obligation by $7.8 million.

<TABLE>
<CAPTION>

The status of the plan is as follows:

December 31, 1998	1998	1997	1996
Change in Benefit Obligation			
Benefit obligation at beginning of year	$79,054	$69,257	$76,933
Service cost	240	333	214
Interest cost	5,552	5,075	5,120
Amendments	-	405	(7,815)
Actuarial loss (gain)	9,244	9,026	(715)
Benefits paid	(5,577)	(5,042)	(4,480)

Benefit obligation at end of year	$ 88,513	$79,054	$69,257
Change in Plan Assets			
Fair value of plan assets at beginning of year	$ 2,049	$ 2,486	$ 3,619
Actual return on plan assets	163	206	94
Employer contribution	4,891	4,399	3,253
Benefits paid	(5,577)	(5,042)	(4,480)
Fair value of plan assets at end of year	$ 1,526	$ 2,049	$ 2,486
Funded status	(86,987)	(77,005)	(66,771)
Unrecognized transition obligation	55,296	59,245	63,644
Unrecognized prior service cost	627	692	0
Unrecognized net loss (gain)	1,777	(8,259)	(20,049)
Accrued benefit cost	$(29,287)	$(25,327)	$(23,176)

</TABLE>

<TABLE>
<CAPTION>

The components of the estimated postretirement benefit cost are as follows:

In thousands of dollars	1998	1997	1996
<S>	<C>	<C>	<C>
Service cost	$ 240	$ 333	$ 214
Interest on APBO	5,552	5,075	5,120
Return on plan assets	(163)	(206)	(244)
Amortization of:			
Transition obligation	3,950	3,966	4,079
Prior service cost	65	145	19
Gains	(849)	(1,763)	(1,829)
Net postretirement benefit cost	$8,795	$7,550	$7,359

</TABLE>

<TABLE>
<CAPTION>

The following assumptions were used to value the postretirement benefit obligation:

Years Ended December 31,	1998	1997	1996
<S>	<C>	<C>	<C>
Weighted average discount rate	6.8%	7.0%	7.5%
Expected return on plan assets	9.5%	9.5%	9.0%
Rate of salary increase	5.0%	5.0%	5.0%
Assumed rate of increase in cost of covered health care benefits	5.5%	5.6%	6.1%

</TABLE>

Increases in health care costs were assumed to decline consistently to 5.0% by 2006 and remain at that level thereafter. If the health care cost trend rates were increased by one percentage point, the accumulated postretirement benefit health care obligation as of December 31, 1998 would increase by $6.1 million while the sum of the service and interest cost components of the net postretirement benefit health care cost for 1998 would increase by $0.4 million. If the health care cost trend rates were decreased by one percentage point, the accumulated postretirement benefit health care obligations as of December 31, 1998 would decrease by $5.8 million while the sum of the service and interest cost components of the net postretirement benefit health care cost for 1998 would decrease by $0.4 million.

The Company changed its assumptions used in 1998 and 1997 for the weighted average discount rate. In 1997, the Company changed its assumptions for the expected return on plan assets. These changes in assumptions did not have a material effect on the 1998 or 1997 postretirement expense.

Note 7: Stock Option Plans and Other Common Stock Transactions

The Company participates in Frontier's stock option plans for its directors, executives, and certain employees. The exercise price for all plans is the fair market value of the stock on the date of the grant. The options expire ten years from the date of the grant. The options vest over a period from one to three years. The maximum number of shares which may be granted under the executive plan is limited to one percent of the number of issued shares, including treasury shares, of Frontier's common stock during any calendar year. The maximum number of shares which may be granted under the employee plan is a total of 8,000,000 shares over a ten year period. The maximum number of shares which may be granted under the directors plan is 1,000,000 shares.

Note 8: Business Segment Information

Effective December 31, 1998, the Company has adopted the provisions of FAS 131, "Disclosures about Segments of an Enterprise and Related Information." This statement establishes annual and interim reporting standards for an enterprise's business segments and related disclosures about its products, services, geographic areas and major customers. Adoption of this statement had no impact on the Company's financial position, results of operations or cash flows. Comparative information for earlier years has been restated.

The Company reports its operating results in two segments: Local Services and Directory Services. The change in the definition of the Company's segments has been made to better reflect the changing scope of the businesses in which FTR operates.

Revenue, cost and expenses, operating income, depreciation, and identifiable assets by business segment are set forth in the Business Segment Information on page 18.

Note 9: Other Accounting Pronouncements Adopted

The Company adopted the provisions of FAS 130, "Reporting Comprehensive Income" as of January 1, 1998. This statement establishes standards for reporting and displaying of comprehensive income and its components. This statement requires reporting, by major components and as a single total, the change in net assets during the period from nonshareholder sources. There were no items of comprehensive income during the year ended December 31, 1998; therefore, net income is equivalent to total comprehensive income.

On June 17, 1998, the Financial Accounting Standards Board issued FAS 133, "Accounting for Derivative Instruments and Hedging Activities" effective for fiscal years beginning after June 15, 1999. This statement standardizes the accounting for derivatives and hedging activities and requires that all derivatives be recognized in the statement of financial position as either assets or liabilities at fair value. Changes in the fair value of derivatives that do not meet the hedge accounting criteria are to be reported in earnings. Adoption of this standard is not expected to have a material effect on the Company's financial position, results of operations or cash flows.

Effective January 1, 1996, the Company adopted FAS 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of". FAS 121 requires that certain long-lived assets and identifiable intangibles be written down to fair value whenever an impairment review indicates that the carrying value cannot be recovered on an undiscounted cash flow basis. The statement also requires that certain long-lived assets and identifiable intangibles to be disposed of, be reported at fair value less selling costs. The Company's adoption of this standard resulted in a non-cash charge of $6.9 million (net of a tax benefit of

$3.7 million) and is reported as a cumulative effect of a change in accounting principle. The charge represents the cumulative adjustment required by FAS 121 to remeasure the carrying amount of certain assets held for disposal as of January 1, 1996. These assets held for disposal consist principally of telephone switching equipment as a result of management's commitment, in late 1995, to a central office switch consolidation project.

Note 10: Commitments and Contingencies

Legal Matters - The Company is party to a number of judicial, regulatory and administrative proceedings involving matters incidental to its business. The Company's management does not believe that any material liability will be imposed as a result of any of these matters.

Leases - The Company leases buildings, land, office space, switching and other equipment under various operating lease contracts. Total rental expense amounted to$2.6 million in 1998, $2.7 million in 1997 and $2.8 million in 1996.

Minimum annual rental commitments under non-cancelable operating leases in effect on December 31, 1998 were as follows:

<TABLE>
<CAPTION>

In thousands of dollars

	Non-Cancelable Leases	
Years	Buildings	Equipment
<S>	<C>	<C>
1999	$ 560	$1,095
2000	231	1,095
2001	161	-
2002	113	-
2003	88	-
2004 and thereafter	85	-
Total	$ 1,238	$2,190

</TABLE>

Note 11: Regulatory Matters

Open Market Plan

The Company began its fifth year of operations under the Open Market Plan in January 1999. The Open Market Plan promotes telecommunications competition in the Rochester, New York marketplace by providing for (1) interconnection of competing local networks including reciprocal compensation for terminating traffic, (2) equal access to network databases, (3) access to local telephone numbers, (4) service provider telephone number portability, and (5) certain wholesale discounts to resellers of local services. Results since implementation of the Open Market Plan are considered to have been constructive for the Company as a whole.

During the seven year period of the Open Market Plan, the Company will not be regulated by rate-of-return regulation, but instead, will be regulated under pure price cap regulation. Over this period, planned rate reductions of $21.0 million (the "Rate Stabilization Plan") will be implemented for Rochester area consumers, including $16.5 million of which occurred through 1998, and an additional $1.5 million which commenced in January 1999. Rates charged for basic residential and business telephone service may not be increased during the seven year period of the Plan. The Company is allowed to raise prices on certain enhanced products such as caller ID and call forwarding.

During the second quarter of 1997 the FCC issued decisions that are intended to implement provisions of the Telecommunications Act. Of significance were decisions that outlined changes in the structure of universal service support and in the framework that applies to certain interstate rates that are generally characterized as access-related charges. During the second and third quarters of 1997, a Federal appeals court issued a series of decisions reversing parts of an earlier FCC order that set out conditions governing the provision of interconnection services. These orders were appealed further and the U.S. Supreme Court on January 25, 1999 reinstated several portions of the FCC's order. The Company has not completed its analysis of the impact of the Supreme Court's action.

Under the Telecommunications Act and a statewide proceeding, the New York State Public Service Commission ("NYSPSC") is considering the prices that local exchange companies in New York may charge for "unbundled" service elements such as links (the wire from the switch to the customer premise), ports (the portion of the switch that terminates the link) and switch usage features. The Company is actively participating in this proceeding and expects the NYSPSC to issue one or more decisions on service elements in 1999. The NYSPSC has issued a Notice Inviting Comments in which it has proposed to make further changes in pricing under the Open Market Plan. These pricing changes could reduce some prices to competitors for network elements and other offerings, but could also reduce the amount paid by the Company for reciprocal compensation. The issues being addressed by the NYSPSC have been under consideration since 1995. The Company cannot predict the ultimate impact of any NYSPSC action in this proceeding.

Management believes there continues to be significant market and business opportunities, as well as uncertainties, associated with the Company's Open Market Plan.

There can be no assurance that the changing regulatory environment will positively impact the Company.

Dividend Policy

The Open Market Plan prohibits the payment of dividends by the Company to Frontier if (i) the Company's senior debt has been downgraded to "BBB" by Standard & Poor's ("S&P"), or the equivalent rating by other rating agencies, or is placed on credit watch for such a downgrade, or (ii) certain service quality measures fall below minimum levels stipulated in the Open Market Plan. Dividend payments to Frontier also require that the Company's directors certify that such dividends will not impair the Company's service quality or its ability to finance its short and long-term capital needs on reasonable terms while maintaining an S&P debt rating target of "A".

In 1996, the Company failed to achieve the service quality levels required by the Open Market Plan. FTR requested a waiver, but was denied. The NYSPSC's ruling resulted in a restriction on the flow of dividends from the Company to Frontier. On October 22, 1997, the NYSPSC adopted an order requiring the Company to issue refunds of approximately $0.9 million, $2.60 per customer. Reserves sufficient to cover the refund were established in 1996. These refunds have been issued.

On October 15, 1998, the NYSPSC approved a proposal by the Company for revision of its service incentive plan that:

-required a rebate of $8.00 per customer to resolve all service penalties for 1997 and 1998, such rebates have been issued,
-established a rebate/client program for missed appointments, and
-increased the amounts at risk for the period 1999-2001 should the Company fail to meet service levels.

In 1998, the Company completed commitments to the NYSPSC to increase its capital expenditures to a minimum of $80.0 million and added employees in service-affecting areas.

The temporary restriction of dividend payments to Frontier will remain in place until the NYSPSC is satisfied that the Company's service levels demonstrate that the Company has rectified the service deficiency. Cash restricted for dividend payments by the Company as of December 31, 1998 was approximately $53.0 million.

Note 12: Related Party Transactions

The advances to (from) affiliate balances of $11.9 million, $11.4 million and ($3.8) million at December 31, 1998, 1997 and 1996, respectively, represent funds advanced to (from) Frontier by the Company. Accounts payable to affiliates at December 31, 1998, 1997 and 1996 includes $1.3 million, $1.5 million and $15.4 million, respectively, due to Frontier. Accounts receivable from affiliates includes $0.5 million at December 31, 1998, $1.6 million at December 31, 1997 and $0.6 million at December 31, 1996, due from Frontier.

The Company paid $10.8 million in 1998, $11.1 million in 1997 and $12.2 million in 1996 to Frontier for allocated corporate charges primarily for executive, legal, human resources and financial assistance, as well as rent for space occupied at Frontier Center. The Company also paid $19.5 million , $18.5 million and $16.5 million to an affiliate, Frontier Information Technologies for data processing services and support during 1998, 1997 and 1996, respectively. Other services purchased from affiliates include supplies, materials management, telemarketing, long distance, cellular and paging services. These services amounted to $20.0 million, $15.6 million and $16.6 million during 1998, 1997 and 1996, respectively.

In addition, the Company provides to its affiliates, Frontier Communications International and Frontier Communications of Rochester, billing and collection services, operator services, and business office support services. The Company also provides administrative support services for other regulated telephone company affiliates. The total of all these services amounted to $8.1 million, $9.6 million and $9.1 million during 1998, 1997 and 1996, respectively.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Omitted pursuant to General Instruction I.

ITEM 11. EXECUTIVE COMPENSATION

Omitted pursuant to General Instruction I.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Omitted pursuant to General Instruction I.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Omitted pursuant to General Instruction I.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(a) (1) Index to Financial Statements

(2) Financial Statement Schedule for the years ended December 31, 1998, 1997 and 1996:

Report of Independent Accountants on Financial Statement Schedule

Schedule II - Valuation and Qualifying Accounts and Reserves

All other schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

(3) See Exhibit Index for list of exhibits filed with this report.

The Registrant hereby agrees to furnish the Commission a copy of each of the Indentures or other instruments defining the rights of security holders of the long-term debt securities of the Registrant and any of its subsidiaries for which consolidated or unconsolidated financial statements are required to be filed.

(b) Reports on Form 8-K

No reports on Form 8-K were filed during or subsequent to the quarter ended December 31, 1998.

(c) Refer to Item 14(a)(3) above for Exhibits required by Item 601 of Regulation S-K.

(d) Schedules other than set forth in response to Item 14(a)(2) above for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable, and therefore have been omitted.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FRONTIER TELEPHONE OF ROCHESTER, INC.
(Registrant)

By: /s/Martin Mucci

Martin Mucci, Chairman
Date: March 22, 1999

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title
/s/Martin Mucci Martin Mucci March 22, 1999	Chairman of the Board and Director
/s/Michael T. Carr Michael T. Carr March 22, 1999	Vice President and Treasurer (principal financial and accounting officer)
* Harlan D. Calkins March 22, 1999	Director
* Katherine T. Clark March 22, 1999	Director
* Maurice F. Holmes March 22, 1999	Director
* Thomas H. Jackson March 22, 1999	Director

* Director
Robert Johnson
March 22, 1999

* Director
Richard P. Miller, Jr.
March 22, 1999

* Director
Christine B. Whitman
March 22, 1999

*By: /s/Martin Mucci

Martin Mucci
Attorney-in-Fact

Manually signed powers of attorney for each Director are attached hereto and filed herewith pursuant to Regulation S-K Item 601-(b)24 as Exhibit 24.

FRONTIER TELEPHONE OF ROCHESTER, INC.
EXHIBIT INDEX

Exhibit Number	Exhibit Description	Reference
3.1	Certificate of Incorporation dated December 8, 1994	Incorporated by reference to Exhibit 3-1 to Form 10-K for the year ended December 31, 1995
3.2	Certificate of Amendment to Certificate of Incorporation dated December 20, 1994	Incorporated by reference to Exhibit 3-2 to Form 10-K for the year ended December 31, 1995
3.3	By-Laws	Filed herewith
4.1	Copy of Credit Agreement between the Company and Chase Manhattan Bank, N.A. dated December 19, 1994 and adopted January 1, 1995	Incorporated by reference to Exhibit 4-1 to Form 10-K for the year ended December 31, 1995
4.2	Copy of Indenture between the Company and Chemical Bank, as Trustee, dated March 14, 1995	Incorporated by reference to Exhibit 4-2 to Form 10-K for the year ended December 31, 1995
10.1	Copy of the Restated Supplemental Management Pension Plan	Incorporated by reference to Exhibit 10-12 to Frontier Corporation's Form 10-K for the year ended December 31, 1996
10.2	Copy of the Restated Supplemental Retirement Savings Plan	Incorporated by reference to Exhibit 10-13 to Frontier Corporation's Form 10-K for the year ended December 31, 1996
10.3	Copy of the Plan for the Deferral of Directors Fees	Incorporated by reference to Exhibit 10-34 to Frontier Corporation's Form 10-K for the year ended December 31, 1994
10.4	Copy of the Directors' Common Stock Deferred Growth Plan	Incorporated by reference to Exhibit 10-36 to Frontier Corporation's Form 10-K for the year ended December 31, 1994
10.5	Copy of the restated Directors Stock Incentive Plan dated April 26, 1996	Incorporated by reference to Exhibit 10-26 to Frontier Corporation's Form 10-Q for the quarter ended March 31, 1996

10.6	Copy of the Management Stock Incentive Plan dated April 26, 1995	Incorporated by reference to Exhibit 10-23 to Frontier Corporation's Form 10-K for the year ended December 31, 1995
10.7	Form of management contract as amended with Mr. Carr	Incorporated by reference to Exhibit 10.9 to Form 10-K for the year ended December 31, 1996
10.8	Amendment No. 1 to the Management Stock Incentive Plan	Incorporated by reference to Exhibit 10.22 to Frontier Corporation's 10-Q for the quarter ended September 30, 1997
10.9	Amendment No. 1 to the Supplemental Management Pension Plan	Incorporated by reference to Exhibit 10.21 to Frontier Corporation's Form 10-K for the year ended December 31, 1997
10.10	1998 Executive Compensation Plan	Incorporated by reference to Exhibit 10.19 to Frontier Corporation's Form 10-K for the year ended December 31, 1998
10.11	Amendment No. 2 to the Management Stock Incentive Plan	Incorporated by reference to Exhibit 10.20 to Frontier Corporation's Form 10-K for the year ended December 31, 1998
10.11	Amendment No. 3 to the Management Stock Incentive Plan	Incorporated by reference to Exhibit 10.21 to Frontier Corporation's Form 10-K for the year ended December 31, 1998
10.12	Amendment No. 2 to the Supplemental Management Pension Plan	Incorporated by reference to Exhibit 10.23 to Frontier Corporation's Form 10-K for the year ended December 31, 1998
23	Consent of Independent Accountants	Filed herewith
24	Powers of Attorney for a majority of Directors naming Martin Mucci attorney-in-fact	Filed herewith
27	Financial Data Schedule	Filed herewith

REPORT OF INDEPENDENT ACCOUNTANTS

ON FINANCIAL STATEMENT SCHEDULE

To the Shareholder of
Frontier Telephone of Rochester, Inc.

Our audits of the financial statements referred to in our report dated January 25, 1999 also included an audit of the Financial Statement Schedule listed in Item 14(a)(2) of this Form 10-K. In our opinion, based on our audits, this Financial Statement Schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related financial statements.

/s/PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Rochester, New York
January 25, 1999

FRONTIER TELEPHONE OF ROCHESTER, INC.
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS AND RESERVES FOR THE YEAR ENDED DECEMBER 31, 1998
(Table 1 of 3)

In thousand of dollars

Description	Balance at beginning of year	Additions: Charged to costs and expenses	Additions: Charged to other accounts (1)	Deductions (2)	Balance at end of year
Reserve for uncollectible accounts	$2,646	$3,983	$4,711	$6,258	$5,082

(1) Primarily recoveries of uncollectible accounts.

(2) Amounts written off against reserve.

FRONTIER TELEPHONE OF ROCHESTER, INC.
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS AND RESERVES FOR THE YEAR ENDED DECEMBER 31, 1997
(Table 2 of 3)

In thousand of dollars

Description	Balance at beginning of year	Additions: Charged to costs and expenses	Additions: Charged to other accounts (1)	Deductions (2)	Balance at end of year
Reserve for uncollectible accounts	$1,501	$4,087	$5,542	$8,484	$2,646

(1) Primarily recoveries of uncollectible accounts.

(2) Amounts written off against reserve.

FRONTIER TELEPHONE OF ROCHESTER, INC.
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS AND RESERVES FOR THE YEAR ENDED DECEMBER 31, 1996
(Table 3 of 3)

In thousand of dollars

Description	Balance at beginning of year	Additions: Charged to costs and expenses	Additions: Charged to other accounts (1)	Deductions (2)	Balance at end of year
Reserve for uncollectible accounts	$1,421	$2,825	$4,919	$7,664	$1,501

(1) Primarily recoveries of uncollectible accounts.

(2) Amounts written off against reserve.

FRONTIER TELEPHONE OF ROCHESTER, INC.
By-Laws
Effective January 28, 1999

ARTICLE I

SHAREOWNERS

Section 1 - Annual Meeting

An annual meeting of shareowners for the election of Directors and the transaction of other business shall be held at such time on any day in each year as shall be fixed by the Board of Directors.

Section 2 - Special Meeting

Special Meetings of the shareowners may be called by the Board of Directors. Such meeting shall be held at such time as may be fixed in the notice of meeting.

Section 3 - Place of Meeting

Meetings of shareowners shall be held at such place, within or without the State of New York, as may be fixed in the notice of meeting.

Section 4 - Notice of Meeting

Notice of each meeting of shareowners shall be in writing and shall state the place, date and hour of the meeting and the purpose or purposes for which the meeting is called.

A copy of the notice of any meeting shall be given, personally, or by mail, not less than ten or more than fifty days before the date of the meeting, to each shareholder entitled to vote at such meeting. If mailed, such notice is given when deposited in the United States mail, with postage thereon prepaid, directed to the shareholder at the shareholder's address as it appears on the record of shareowners, or, if the shareholder shall have filed with the Secretary of the Corporation a written request that notices be mailed to some other address, then directed to the shareholder at such other address.

Section 5 - Qualification of Voters

Every shareowner of record of common stock of the Corporation shall be entitled at every meeting of shareowners to one vote for every share of common stock held by the shareowner in the shareowner's name on the record of shareowners.

Section 6 - Quorum of Shareowners

The holders of a majority of the shares entitled to vote at such meeting shall constitute a quorum at a meeting of shareowners for the transaction of any business, provided that when a specified item of business is required to be voted on by a class or series, voting as a class, the holders of a majority of the shares of such class or series shall constitute a quorum for the transaction of such specified item of business.

The shareowners present, in person or by proxy, and entitled to vote may, by a majority of votes cast, adjourn the meeting despite the absence of a quorum.

Section 7 - Vote of Shareowners

Directors shall, except as otherwise required by law, or by the certificate of incorporation as permitted by law, be elected by a plurality of the votes cast at a meeting of shareowners by the holders of shares entitled to vote in the election.

Whenever any corporate action, other than the election of Directors, is to be taken by vote of the shareowners, it shall, except as otherwise required by law, or by the certificate of incorporation as permitted by law, be authorized by a majority of the votes cast at a meeting of shareowners by the holders of shares entitled to vote thereon.

Section 8 - Proxies

Every shareholder entitled to vote at a meeting of shareowners or to express consent or dissent without a meeting may authorize another person or persons to act for that shareholder by proxy. Every proxy must be signed by the shareholder or the shareholder's attorney-in-fact. No proxy shall be valid after the expiration of eleven months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the shareholder executing it except in those cases where an irrevocable proxy permitted by statute has been given.

Section 9 - Fixing Record Date

For the purpose of determining the shareowners entitled to notice of or to vote at any meeting of shareowners or any adjournment thereof, or to express consent or dissent from any proposal without a meeting, or for the purpose of determining shareowners entitled to receive payment of any dividend or the allotment of any rights, or for the purpose of any other action, the Board of Directors may fix, in advance, a date as the record date for any such determination of shareowners. Such date shall not be more than fifty nor less than ten days before the date of such meeting, nor more than fifty days prior to any other action.

ARTICLE II

BOARD OF DIRECTORS

Section 1 - Power of Board and Qualification of Directors

The business of the Corporation shall be managed under the direction of its Board of Directors, each of whom shall be at least twenty-one years of age.

Section 2 - Number of Directors

At the annual meeting of shareowners, the shareowners shall elect no more than fourteen and no less than six directors. A majority of the membership of the Board of Directors of the Corporation shall be outside directors, i.e., they may not be officers or employees of the Corporation nor may they be directors, officers or employees of Frontier Corporation or of any affiliate of Frontier Corporation. Only one of the Corporation's Directors may simultaneously serve as a Director, Officer or employee of Frontier Corporation or any of Frontier Corporation's Affiliates other than the Corporation.

Section 3 - Election, Term and Qualifications of Directors

At each annual meeting of shareowners, Directors shall be elected to hold office until the next annual meeting and until their successors have been elected and qualified. No person shall be eligible for election or reelection to the Board of Directors after reaching seventy years of age, or in the case of a retired Chairman of the Board of Directors or a retired President of the Corporation, after reaching sixty-seven years of age. The term of any Director who is also an Officer of the

Corporation or any affiliate of the Corporation, other than the Chairman of the Board or the President of the Corporation, shall end on the date of termination from active employment and such officer shall thereafter be ineligible for reelection to the Board of Directors.

Section 4 - Quorum of the Board: Action by the Board

One-third of the entire Board of Directors shall constitute a quorum for the transaction of business, and the vote of a majority of the Directors present at the time of such vote, if a quorum is then present, shall be the act of the Board.

Section 5 - Action Without a Meeting

Any action required or permitted to be taken by the Board or any committee thereof may be taken without a meeting if all members of the Board or of the committee consent in writing to the adoption of the resolution authorizing the action. The resolution and the written consents thereto by the members of the Board or committee shall be filed with the minutes of the proceedings of the Board or committee.

Section 6 - Participation in Board Meetings by Conference Telephone

Any one or more members of the Board of Directors or any committee thereof may participate in a meeting of such Board or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

Section 7 - Meetings of the Board

An annual meeting of the Board of Directors shall be held in each year directly after adjournment of the annual shareowners' meeting. Regular meetings of the Board shall be held at such times as may from time to time be fixed by resolution of the Board. Special meetings of the Board may be held at any time upon the call of the Chairman of the Board of Directors, if such there be, the President or any two Directors.

Meetings of the Board of Directors shall be held at such place, within or without the State of New York, as from time to time may be fixed by resolution of the Board for annual and regular meetings and in the notice of meeting for special meetings. If no place is so fixed, meetings of the Board shall be held at the office of the Corporation in Rochester, New York.

No notice need be given of annual or regular meetings of the Board of Directors. Notice of each special meeting of the Board shall be given by oral, telegraphic or written notice, duly given or sent or mailed to each Director not less than one (1) day before such meeting.

Section 8 - Resignation

Any Director may resign at any time by giving written notice to the Chairman of the Board of Directors, if such there be, to the President or to the Secretary. Such resignation shall take effect at the time specified in such written notice, or if no time be specified, then on delivery. Unless otherwise specified in the written notice, the acceptance of such resignation by the Board of Directors shall not be needed to make it effective.

Section 9 - Newly Created Directorships and Vacancies

Newly created directorships resulting from an increase in the number of directors and vacancies occurring in the Board of Directors may be filled by vote of the Board. If the number of the directors then in office is less than a quorum, such newly created directorships and vacancies may be filled by vote of a majority of the directors then in office. A director elected to fill a vacancy shall be elected to hold office for the unexpired term of such director's predecessor.

Section 10 - Committees of Directors

The Board of Directors, by resolution by a majority of the entire Board, may designate from among its members an Audit Committee consisting of three or more outside directors. The Audit Committee shall, among other things, review the scope of audit activities, review with management significant issues concerning
litigation, contingencies or other material matters which may result in either potential liability of the Company or significant exposure to the Company, review significant matters of corporate ethics, review security methods and procedures, review the financial reports and notes, and make reports and recommendations with respect to audit activities, findings, and reports of the independent public accountants and the internal audit staff of the Company.

The Board of Directors, by resolution adopted by a majority of the entire Board, may designate from among its members a Committee on Directors consisting of three or more outside directors. The Committee on Directors shall, among other things, review performance of incumbent directors, act as a nominating committee, and consider and report to the entire Board of Directors on all matters relating to the selection, qualification, compensation and duties of the members of the Board of Directors and any committees of the Board of Directors.

The Board of Directors, by resolution adopted by a majority of the entire Board, may designate from among its members other committees each consisting of three or more directors.

Unless a greater proportion is required by the resolution designating a committee of the Board of Directors, a quorum for the transaction of business of a committee shall consist of one-third of the entire authorized number of members of any other committee of the Board of Directors, but in no event fewer than two persons. The vote of a majority of the members of a committee present at the time of the vote concerning the transaction of business of that committee or of any specified item of business of that committee if a quorum is present at such time, shall be the act of such committee.

Any committee may fix the time and place of holding its regular meetings and, if so fixed, no notice of such regular meeting shall be necessary. Special meetings of any committee may be called at any time by the Chairman of the Board of Directors, if such there be, by the chief executive officer, by the President, by the Chairperson of that committee, or by any two members of that committee. Notice of each special meeting of any committee shall be given by oral, telegraphic or written notice, including notice via facsimile machine, duly given or sent or mailed to each member of that committee not less than one day before such meeting.

Section 11 - Compensation of Directors

The Board of Directors of Frontier Corporation shall have authority to fix the compensation of directors of the Corporation for services in any capacity.

Section 12 - Indemnification

(a) Generally.

To the full extent authorized or permitted by law, the Corporation shall indemnify any person ("indemnified Person") made, or threatened to be made, a party to any action or proceeding, whether civil, at law, in equity, criminal, administrative, investigative or otherwise, including any action by or in the right of the Corporation, by reason of the fact that he, his testator or intestate, ("Responsible Person"), whether before or after adoption of this Section 12, (1) is or was a director or officer of the Corporation, or (2), if a director or officer of the Corporation, is serving or served, in any capacity, at the request of the Corporation, any other corporation, or any partnership, joint venture, trust, employee benefit plan or other enterprise, or (3), if not a director or officer of the Corporation, is serving or served, at the request of the Corporation, as a director or officer of any other corporation or any partnership, joint venture, trust, employee benefit plan or other enterprise, against all judgments, fines, penalties, amounts paid in settlement (provided the Corporation shall have given its prior consent to such settlement, which consent shall not be unreasonably withheld by it) and reasonable expenses, including attorneys' fees, incurred by such Indemnified Person with respect to any such threatened or actual action or proceeding, and any appeal therein, provided only that (x) acts of the Responsible Person which were material to the cause of action so adjudicated or otherwise disposed of were not (i) committed in bad faith or (ii) were not the result of active and deliberate dishonesty, and (y) the Responsible Person did not personally gain in fact a financial profit or other advantage to which he was not legally entitled.

(b) Advancement of Expenses.

All expenses reasonably incurred by an Indemnified Person in connection with a threatened or actual action or proceeding with
respect to which such person is or may be entitled to indemnification under this Section 12 shall be advanced or promptly reimbursed by the Corporation to him in advance of the final disposition of such action or proceeding, upon receipt of an undertaking by him or on his behalf to repay the amount of such advances, if any, as to which he is ultimately found not to be entitled to indemnification or, where indemnification is granted, to the extent such advances exceed the indemnification to which he is entitled. Such person shall cooperate in good faith with any request by the Corporation that common counsel be used by the parties to an action or proceeding who are similarly situated unless to do so would be inappropriate due to an actual or potential conflict of interest.

(c) Procedure for Indemnification.

(1) Not later than thirty (30) days following final disposition of an action or proceeding with respect to which the

Corporation has received written request by an Indemnified Person for indemnification pursuant to this Section 12, if such indemnification has not been ordered by a court, the Board of Directors shall meet and find whether the Responsible Person met the standard of conduct set forth in paragraph (a) of this Section 12, and, if it finds that he did, or to the extent it so finds, shall authorize such indemnification.

(2) Such standard shall be found to have been met unless (a) a judgment or other final adjudication adverse to the Indemnified Person establishes that subparagraphs (x) or (y) of paragraph (a) of this Section 12 were violated, or (b) if the action or proceeding was disposed of other than by judgment or other final adjudication, the Board finds in good faith that, if it had been disposed of by judgment or other final adjudication, such judgment or other final adjudication would have been adverse to the Indemnified Person and would have established a violation of subparagraphs (x) or (y) of paragraph (a) of this Section 12.

(3) If indemnification is denied, in whole or part, because of an adverse finding by the Board in the absence of a judgment or other final adjudication, or because the Board believes the expenses for which indemnification is requested to be unreasonable, such action by the Board shall in no way affect the right of the Indemnified Person to make application therefor in any court having jurisdiction thereof, and in such action or proceeding the issue shall be whether the Responsible Person met the standard of conduct set forth in paragraph (a) of this Section 12, or whether the expenses were reasonable, as the case may be (not whether the finding of the Board with respect thereto was correct) and the determination of such issue shall not be affected by the Board's finding. If the judgment or other final adjudication in such action or proceeding establishes that the Responsible Person met the standard set forth in paragraph (a) of this Section 12, or that the disallowed expenses were reasonable, or to the extent that it does, the Board shall then find such standard to have been met or the expenses to be reasonable, and shall grant such indemnification, and shall also grant to the Indemnified Person indemnification of the expenses incurred by him in connection with the action or proceeding resulting in the judgment or other final adjudication that such standard of conduct was met, or if pursuant to such court determination such person is entitled to less than the full amount of indemnification denied by the Corporation, the portion of such expenses proportionate to the amount of such indemnification so awarded.

(4) A finding by the Board pursuant to this paragraph (c) that the standard of conduct set forth in paragraph (a) of this Section 12 has been met shall mean a finding of the Board or shareowners as provided by law.

(d) Contractual Article

This Section 12 shall be deemed to constitute a contract between the Corporation and each person who is a Responsible Person at any time while this Section 12 is in effect. No repeal or amendment of this Section 12, insofar as it reduces the extent of the indemnification of any person who could be a Responsible Person shall without his written consent be effective as to such person with respect to any event, act or omission occurring or allegedly occurring prior to (1) the date of such repeal or amendment if on that date he is not serving in any capacity for which he could be a Responsible Person, or (2) the thirtieth (30th) day following delivery to him of written notice of such repeal or amendment as to any capacity in which he is serving on the date of such repeal or amendment, other than as a director or officer of the Corporation, for which he could be a Responsible Person, or (3) the later of the thirtieth (30th) day following delivery to him of such notice or the end of the term of office (for whatever reason) he is serving as director or officer of the Corporation when such repeal or amendment is adopted, with respect to being a Responsible Person in that capacity. No amendment of the Business Corporation Law shall, insofar as it reduces the permissible extent of the right of indemnification of a Responsible Person under this Section 12, be effective as to such person with respect to any event, act or omission occurring or allegedly occurring prior to the effective date of such amendment irrespective of the date of any claim or legal action in respect thereto. This Section 12 shall be binding on any successor to the Corporation, including any corporation or other entity which acquires all or substantially all of the Corporation's assets.

(e) Non-exclusivity

The indemnification provided by this Section 12 shall not be deemed exclusive of any other rights to which any person covered hereby may be entitled other than pursuant to this Section 12. The Corporation is authorized to enter into agreements with any such person or persons providing them rights to indemnification or advancement of expenses in addition to the provisions therefor in this Section 12 to the full extent permitted by law.

ARTICLE III

OFFICERS

Section 1 - Officers

The shareowners of the Corporation, at the time of the annual election of directors, may elect a Chairman of the Board of Directors and may elect a President, a Secretary and a Treasurer, and such other officers as they may determine. Any two or more offices may be held by the same person.

Section 2 - Term of Office and Removal

Each officer shall hold office for the term for which each officer is elected or appointed, and until a successor has been elected or appointed and qualified.

Section 3 - Powers and Duties

The officers of the Corporation shall each have such powers and authority and perform such duties in the management of the Corporation as set forth in these By-Laws and as from time to time prescribed by the Board of Directors or the shareowners. To the extent not set forth in these By-Laws or so prescribed by the Board of Directors or shareowners, they shall each have such powers and authority and perform such duties in the management of the Corporation, subject to the control of the Board, as generally pertain to their respective offices.

In addition to the powers and authority above, each officer has the powers and duties set out below.

(a) Chairman of the Board of Directors

The Chairman of the Board of Directors, if such there be, shall preside at all meetings of the Board. The Chairman of the Board of Directors may be the chief executive officer of the Corporation, and if so designated, may preside at all meetings of shareowners.

(b) President

The President shall be the chief operating officer and shall have responsibility for the general management of the business of the Corporation, subject only to the supervision of the Board of Directors or shareowners, and the Chairman of the Board of Directors, as chief executive officer, if such there be. If there is no Chairman of the Board of Directors or if the Chairman of the Board of Directors is not the chief executive officer, then the President shall be the chief executive officer of the Corporation. The President may preside at all meetings of shareowners, when present, and at meetings of the Board of

Directors in the absence of the Chairman of the Board, if such there be.

(c) Secretary

The Secretary shall issue notices of all meetings of shareowners and directors where notices of such meetings are required by law or these By-Laws, and shall keep the minutes of such meetings. The Secretary shall sign such instruments and attest such documents as require signature or attestation and affix the corporate seal thereto where appropriate and shall possess such other powers and perform such other duties as usually pertain to the office or as the Board of Directors may prescribe.

(d) Treasurer

The Treasurer shall have general charge of, and be responsible for, the fiscal affairs of the Corporation and shall sign all instruments and documents as require such signature, and shall possess such other powers and perform such other duties as usually pertain to the office or as the Board of Directors may prescribe.

(e) Assistant Officers

Any Assistant Officer elected by the shareowners or by the Board of Directors shall assist the designated officer and shall possess that officer's powers and perform that officer's duties as designated by that officer, and shall possess such other powers and perform such other duties as the shareowners or the Board of Directors may prescribe.

Section 4 - Records

The Corporation shall keep (a) correct and complete books and records of account; (b) minutes of the proceedings of the shareowners, Board of Directors and any committees of the Board; and (c) a current list of the directors and officers and their residence addresses.

The Corporation shall also keep at its office in the State of New York or at the office of its transfer agent or registrar in the State of New York, if any, a record containing the names and addresses of all shareowners, the number and class of shares held by each and the dates when they respectively became the owners of record thereof.

Section 5 - Checks and Similar Instruments

All checks and drafts on the Corporation's bank accounts and all bills of exchange and promissory notes and all acceptances, obligations and other instruments, for the payment of money, shall be signed by facsimile or otherwise on behalf of the Corporation by such officer or officers or agent or agents as shall be thereunto authorized from time to time by the Board of Directors.

Section 6 - Voting Shares Held by the Corporation

Either the President or the Secretary may vote shares of stock held by the Corporation in other corporations and may execute proxies for and on behalf of the Corporation for such purpose.

ARTICLE IV

SHARE CERTIFICATES AND LOSS THEREOF - TRANSFER OF SHARES

Section 1 - Form of Share Certificate

The shares of the Corporation shall be represented by certificates, in such forms as the Board of Directors may from time to time prescribe, signed by the Chairman of the Board if such there be, or the President or a Vice President, and the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer, and may be sealed with the seal of the Corporation or a facsimile thereof. The signatures of the officers upon a certificate may be facsimiles if the certificate is countersigned by a transfer agent or registered by a registrar other than the Corporation or its employee. In case any officer who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer at the date of issue.

Section 2 - Lost, Stolen or Destroyed Share Certificates

No certificate or certificates for shares of the Corporation shall be issued in place of any certificate alleged to have been lost, stolen or destroyed, except upon production of such evidence of the loss, theft or destruction, and upon such indemnification and payment of costs of the Corporation and its agents to such extent and in such manner as the Board of

Directors may from time to time prescribe. The Board of Directors, in its discretion, and as a condition precedent to the issuance of any new certificate, may require the owner of any certificate alleged to have been lost, stolen or destroyed to furnish the Corporation with a bond, in such sum and with such surety or sureties as it may direct, as indemnity against any claim that may be made against the Corporation in respect of such lost, stolen or destroyed certificate.

Section 3 - Transfer of Shares

Shares of the Corporation shall be transferable on the books of the Corporation by the registered holder thereof in person or by the registered holder's duly authorized attorney, by delivery for cancellation of a certificate or certificates for the same number of shares, with proper endorsement consisting of either a written assignment of the certificate or a power of attorney to sell, assign or transfer the same or the shares represented thereby, signed by the person appearing by the certificate to be the owner of the shares represented thereby, either written thereon or attached thereto, with such proof of the authenticity of the signature as the Corporation or its agents may reasonably require. Such endorsement may be either in blank or to a specified person, and shall have affixed thereto all stock transfer stamps required by law.

Except as otherwise provided by law, not more than twenty percent of the aggregate number of shares of stock of the Corporation outstanding in any class or series shall at any time be owned of record or beneficially or voted by or for the account of aliens (as defined below). Shares of stock shall not be transferable on the books of the Corporation to any alien if, as a result of such transfer, the aggregate number of shares of stock in any class or series owned by or for the account of aliens shall be twenty percent or more of the number of shares of stock then outstanding in such class or series. The Board of Directors may make such rules and regulations as it shall deem necessary or appropriate so that accurate records may be kept of the shares of stock of the Corporation owned of record or beneficially or voted by or for the account of aliens or to otherwise enforce the provisions of this Section 3.

As used in this Section 3, the word "alien" shall mean the following and their representatives: any individual not a citizen of the United States of America; a partnership, unless a majority of the partners are non-aliens and a majority interest in the partnership profits is held by nonaliens; a foreign government; a corporation, joint-stock company or association organized under the laws of a foreign country; any other corporation of which any officer or more than one-fourth of the directors are aliens, or of which more than one-fourth of any class or series of stock is owned of record or voted by or for the account of aliens; and any other corporation, joint-stock company or association controlled directly or indirectly by one or more of the above.

ARTICLE V

OTHER MATTERS

Section 1 - Corporate Seal

The corporate seal shall have inscribed thereon the name of the Corporation and such other appropriate legend as the Board of Directors may from time to time determine. In lieu of the corporate seal, when so authorized by the Board, a facsimile thereof may be affixed or impressed or reproduced in any other manner.

Section 2 - Amendments

By-Laws of the Corporation may be amended, repealed or adopted by vote of the holders of the shares at the time entitled to vote in the election of any directors. By-Laws may also be amended, repealed, or adopted by the Board of Directors, but any By-Law adopted by the Board may be amended or repealed by the shareowners entitled to vote thereon as hereinabove provided.

If any By-Law regulating an impending election of directors is adopted, amended or repealed by the Board of Directors, there shall be set forth in the notice of the next meeting of shareowners for the election of directors the By-Law so adopted, amended or repealed, together with a concise statement of the changes made.

Section 3 - Dividends

As a condition of any decision by the Board of Directors to pay dividends on the Corporation's common stock, the Board of Directors shall certify quarterly that the payment of dividends will neither impair the Corporation's service quality nor its ability to finance its short and long term capital needs at reasonable rates while maintaining a debt rating target of "A" (for Standard and Poors, or the equivalent for other rating agencies). Unless authorized by the New York Public Service Commission, the Board of Directors shall not authorize the payment of dividends on the Corporation's common stock while the service quality or senior debt credit rating conditions apply under which the payment of dividends is prohibited in Opinion No. 94-25 of the Public Service Commission in Case 93-C-0103 - Petition of Rochester Telephone Corporation for Approval of Proposed Restructuring Plan (issued and effective November 10, 1994).

EXHIBIT 23

Consent of Independent Accountants

We hereby consent to the incorporation by reference in the Prospectus constituting part of the Registration Statement on Form S-4 (File No.33-91250) of Frontier Telephone of Rochester, Inc. of our report dated January 25, 1999 appearing on page 17 of Form 10-K. We also consent to the incorporation by reference of our report on the Financial Statement Schedule, which appears on page 42 of this Form 10-K.

/s/PricewaterhouseCoopers LLP
____
PricewaterhouseCoopers LLP

Rochester, New York
March 26, 1999

22124

POWER OF ATTORNEY

I, the undersigned, hereby constitute and appoint MARTIN MUCCI as my true and lawful agent and attorney-in-fact to act with full power and authority and in my name, place and stead as I, myself, could act for the sole purpose of executing the Form 10-K of Frontier Telephone of Rochester, Inc. for the year ended December 31, 1998, pursuant to Instruction D(2)(a) of the Form 10-K and in accordance with Regulation S-K Item 601(b)(24) of the Securities Act of 1933 and the Securities Exchange Act of 1934, and with full and unqualified authority to delegate such power to any person or persons as my attorney-in-fact shall select.

IN WITNESS WHEREOF, THIS INSTRUMENT HAS BEEN SIGNED AND DELIVERED BY THE UNDERSIGNED AS OF MARCH 15, 1999.

/s/ Harlan D. Calkins

____

Harlan D. Calkins

/s/ Katherine M. Clark

____

Katherine M. Clark

/s/ Maurice F. Holmes

____

Maurice F. Holmes

/s/ Thomas H. Jackson

____

Thomas H. Jackson

/s/ Robert Johnson

____

Robert Johnson

/s/ Richard P. Miller, Jr.

____

Richard P. Miller, Jr.

/s/ Christine B. Whitman

____
Christine B. Whitman

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