



Application of Frontier Communications Corporation, Frontier California Inc. (U 1002 C), Citizens Telecommunications Company of California Inc. (U 1024 C), Frontier Communications of the Southwest Inc. (U 1026 C), Frontier Communications Online and Long Distance Inc. (U 7167 C), Frontier Communications of America, Inc. (U 5429 C) For Determination That Corporate Restructuring Is Exempt From or Compliant With Public Utilities Code Section 854.

Application 20-05-010 (Filed May 22, 2020)

### MOTION OF THE UTILITY REFORM NETWORK TO SEAL THE EVIDENTIARY RECORD

**Christine Mailloux** 

Managing Dir, San Diego Office The Utility Reform Network 1620 Fifth Ave., Ste. 810 San Diego, CA 92101 (619) 398-3680, ext 101 cmailloux@turn.org

#### MOTION OF THE UTILITY REFORM NETWORK TO SEAL THE EVIDENTIARY RECORD

Pursuant Rule 11.5 of the California Public Utilities Commission's Rules of Practice and Procedure and the Commission's COVID-19 Temporary Filing and Service Protocol for Formal Proceedings, The Utility Reform Network (TURN) hereby submits this *Motion to Seal the Evidentiary Record* in the above referenced docket.

Contemporaneous with this Motion, TURN has filed its Motion for Admission of Direct Testimony and other Documents that includes the Confidential version of the Direct Testimony of David Brevitz on behalf of TURN, along with accompanying attachments. Mr. Brevitz' testimony was served to the parties on the service list on September 30, 2020. Mr. Brevitz' Testimony contains confidential information, including attachments to the testimony, that the Applicants, Frontier Communications Corporation and related subsidiaries, has identified as confidential and proprietary.

Frontier provided this material to TURN pursuant to a nondisclosure between the two parties, in response to data requests from TURN and Public Advocates and as part of Frontier's Application and direct testimony. When responding to the relevant data requests and as part of the service of its direct testimony, Frontier provided TURN with the General Order 66-D Confidentiality Declarations. TURN is including Frontier California's G.O. 66-D Confidentiality Declarations as an attachment to this Motion and has also provided these Declarations as an attachment to Mr. Brevitz' testimony when it was served on the parties to the proceeding.

The Confidentiality Declarations, dated June 1, 2020, July 13, 2020, August 3, 2020, August 4, 2020, August 6, 2020, September 18, 2020, September 21, 2020, are signed by Allison Ellis, the Senior Vice President of Regulatory Affairs for Frontier Communications Corporation.

The Frontier Confidentiality Declarations are intended to support the designation of the material

produced to TURN as confidential. These Declarations provide individual justifications for the confidentiality designation as it relates to each data request response and description of confidential information in the company's Application and direct testimony. Generally, however, Ms. Ellis declares that Frontier "derives economic and competitive value" from the subject information "not being known to the public, and from not being known to Frontier's current or potential competitors." Ms. Ellis also asserts that the "public interest," along with Frontier itself, will be harmed by the release of this information to the public. The Declaration cites to specific state statutes, administrative regulations and Commission Rules and decisions for support of its request for confidential treatment.

Pursuant to the nondisclosure agreement between TURN and Frontier, TURN hereby requests to seal the evidentiary record to allow the record to contain its Direct Testimony containing the identified Frontier information under seal. TURN urges the Commission to find that no party will be prejudiced or disadvantaged by TURN's request. However, TURN reserves its right to challenge Frontier's claims of confidentiality at a later date.

TURN respectfully requests that the Commission, upon admission of the unredacted version of the Direct Testimony of David Brevitz on behalf of TURN, grant this Motion to Seal the Evidentiary Record as to TURN's exhibit.

October 21, 2020

Respectfully submitted,

/s/ Christine Mailloux
Christine Mailloux
Telecommunications Staff Attorney
The Utility Reform Network
1620 Fifth Ave., Ste. 810
San Diego, CA 92101
(619) 398-3680, ext 101
cmailloux@turn.org

### BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Frontier Communications Corporation, Frontier California Inc. (U 1002 C), Citizens Telecommunications Company of California Inc. (U 1024 C), Frontier Communications of the Southwest Inc. (U 1026 C), Frontier Communications Online and Long Distance Inc. (U 7167 C), Frontier Communications of America, Inc. (U 5429 C) For Determination That Corporate Restructuring Is Exempt From or Compliant With Public Utilities Code Section 854.

Application 20-05-010 (Filed May 22, 2020)

#### [PROPOSED] ORDER

Having reviewed the *Motion of the Utility Reform Network to Seal the Evidentiary Record*, and good cause appearing there for,

**IT IS HEREBY ORDERED** that the Motion is granted and the above referenced comments shall be filed under seal.

Dated:	, 2020 at San Francisco, California.
	Administrative Law Judge

### Attachment

**Frontier Confidentiality Declarations** 

#### A.20-05-010 (FRONTIER CORPORATE RESTRUCTURING PROCEEDING)

Declaration of Allison M. Ellis on Behalf of
Frontier Communications Corporation,
Frontier California Inc. (U 1002 C),
Citizens Telecommunications Company of California Inc. (U 1024 C),
Frontier Communications of the Southwest Inc. (U 1026 C),
Frontier Communications Online and Long Distance Inc. (U 7167 C), and
Frontier Communications of America, Inc. (U 5429 C)
Supporting Confidential Treatment of Information Supplied in Response to
"TURN Data Request 001"

#### August 3, 2020

#### I, Allison M. Ellis, hereby declare:

- 1. I am the Senior Vice President Regulatory Affairs for Frontier Communications Corporation, including its California local exchange and long distance subsidiaries, Frontier California Inc. (U 1002 C), Citizens Telecommunications Company of California Inc. (U 1024 C), Frontier Communications of the Southwest Inc. (U 1026 C), Frontier Communications Online and Long Distance Inc. (U 7167 C), and Frontier Communications of America, Inc. (U 5429 C) (collectively, "Frontier"). If called as a witness, I could and would competently testify as to the matters stated herein from my own personal knowledge, except as to any matters that I state upon information and belief, and, as to those matters, I am informed and believe them to be true.
- 2. Pursuant to the rules of the California Public Utility Commission (the "Commission") governing the submission of confidential information by parties to Commission proceedings, as set forth in Decision ("D.") 17-09-023 and Commission General Order ("G.O.") 66-D, I submit this declaration to accompany Frontier's confidential treatment of the information provided in Frontier's response to "TURN Data Request 01" ("TURN-1"), including in certain specific attachments accompanying that response which are entitled: "TURN-1.3 (Financials) CONFIDENTIAL," "TURN-1.3 (PAO-01.02 & 01.03 Supplement) CONFIDENTIAL," "TURN-1.6 (California Financial Projections) CONFIDENTIAL," "TURN-1.9 (Virtual Separation

Presentation) CONFIDENTIAL," "TURN-1.16 (RDOF Timeline) CONFIDENTIAL," "TURN-1.17 (Virtual Separation Presentation) CONFIDENTIAL," "TURN-1.22 (Service Improvement Plan) CONFIDENTIAL," "TURN-1.22 (California Operations) CONFIDENTIAL," "TURN-1.22 (CAF II Report) CONFIDENTIAL," "TURN-1.22 (Broadband Deployment) CONFIDENTIAL," "TURN-1.23 (Frontier Form 481) CONFIDENTIAL," and "TURN-1.23 (Testing Results) CONFIDENTIAL."

- 3. I am familiar with the information contained in Frontier's narrative response to TURN-1, as well as with the documents identified below, which Frontier submitted simultaneously with its narrative response and which Frontier has designated as confidential pursuant to Public Utilities Code Section 583 and G.O. 66-D, Section 3.2(b).
- 4. The document "TURN-1.3 (Financials) CONFIDENTIAL" contains confidential historical and forecasted financial information for the consolidated Frontier. Frontier consistently holds this granular and forecasted financial detail as confidential, and it derives economic and competitive value from not being known to the public. If disclosed, Frontier's competitors could leverage this information to make calculated operational and business decisions to the economic detriment of Frontier, resulting in unfair competition and harm to the competitive market, to the detriment of the consumers. Maintaining the confidentiality of this information is particularly important given Frontier's current Chapter 11 status, as Frontier will be less equipped to respond to competition while it is navigating the Chapter 11 process and pursuing the necessary regulatory approvals to emerge from bankruptcy. For these reasons, any public benefit associated with the disclosure of this sensitive business and financial information is far outweighed by the extensive competitive harm that would be caused by the public disclosure of this information.
- 5. "TURN-1.3 (PAO-01.02 & 01.03 Supplement) CONFIDENTIAL," and "TURN-1.6 (California Financial Projections) CONFIDENTIAL" contain confidential financial data regarding each of the California operating companies, including information regarding the profitability of the companies and financial forecasts. If disclosed, Frontier's competitors could leverage this current and forecasted financial information to make calculated operational and business decisions to the

economic detriment of Frontier, resulting in unfair competition and harm to the competitive market, to the detriment of the consumers. Disclosure of the forecasted aspects of these financials at the operating company level would be particularly harmful given that Frontier is currently navigating the Chapter 11 process. Current or potential competitors could utilize these forecasts to gain material information about the business strategy Frontier is likely to pursue post-emergence at a time when Frontier faces a competitive disadvantage due to the costs of the pending Chapter 11 process. Giving competitors sensitive business information about future periods would facilitate unfair competition and be destabilizing to California markets for telecommunications services.

- 6. The documents "TURN-1.9 (Virtual Separation Presentation) CONFIDENTIAL" and "TURN-1.16 (RDOF Timeline) CONFIDENTIAL" contains detailed information about Frontier's strategic corporate projects which, like the financial information above, could be used in a tactical manner by Frontier's competitors to obtain an improper competitive advantage against Frontier. Specifically, "TURN-1.9 (Virtual Separation Presentation) CONFIDENTIAL" sets out processes by which Frontier can improve its corporate management practices and overall efficiency while "TURN-1.16 (RDOF Timeline) CONFIDENTIAL" contains strategic information about Frontier's internal timelines for the Federal Communications Commission's Rural Digital Opportunity Fund ("RDOF") competitive auction. This information is of great importance to Frontier because it reveals strategies and areas of focus in Frontier's operations. Frontier holds this information as confidential and would suffer harm if it were disclosed.
- 7. The documents in the zip files entitled "TURN-1.22 (Service Improvement Plan)

  CONFIDENTIAL," "TURN-1.22 (California Operations) CONFIDENTIAL," "TURN-1.22 (CAF

  II Report) CONFIDENTIAL," "TURN-1.22 (Broadband Deployment) CONFIDENTIAL," "TURN1.23 (Frontier Form 481) CONFIDENTIAL," and "TURN-1.23 (Testing Results)

  CONFIDENTIAL" each contain confidential information relating to Frontier's specific build-out plans, the release of which would enable competitors to better tailor their own build-out plans, develop targeted marketing, or modify their operations to specifically respond to Frontier's anticipated network improvements. Frontier has developed these materials over a period of years

and they have significant value in operationalizing Frontier's customer service approach. Publicly disclosing this information would enable competitors to replicate these processes or leverage them to gain a competitive edge over Frontier.

- 8. The data identified above derive economic value from not being known to the public, and Frontier and its affiliates take reasonable measures to protect this information from public disclosure. For these reasons, this information has been marked confidential and is being voluntarily provided to the Commission in expectation of protection from disclosure as a trade secret. See Gov. Code § 6254(k); Evid. Code § 1060; Civ. Code 3426.1.
- 9. Public disclosure of the above information would also be contrary to the public interest, as its release could distort the competitive market, to the ultimate detriment of customers. Additionally, as described above, the release of Frontier's customer service training manual could be extremely harmful to Frontier's customer if used to perpetrate fraudulent or disruptive customer service communications. I am not aware of any material public benefit to be advanced by releasing the above-described information. Therefore, the balance of public interest factors favors maintaining the information as confidential. See Gov. Code § 6255.
- 10. For the foregoing reasons, I believe the referenced information is appropriate for confidential treatment. *See* Pub. Util. Code § 583; G.O. 66-D § 3.2(b); Gov.

Code §§ 6254(k), 6255; Cal. Evid. Code § 1060; Civ. Code § 3426.1; D.07-05-045.

Dated this 3rd day of August, 2020 at Durham, North Carolina.

Allison M. Ellis

Senior Vice President – Regulatory Affairs Frontier Communications Corporation, Frontier California, Inc., Citizens Telecommunications Company of California, Inc., Frontier Communications of the Southwest, Inc., Frontier Communications Online and Long Distance Inc. and Frontier Communications of America, Inc.

& Ellis

#### A.20-05-010 (FRONTIER CORPORATE RESTRUCTURING)

FRONTIER COMMUNICATIONS CORPORATION
FRONTIER CALIFORNIA INC. (U 1002 C)
CITIZENS TELECOMMUNICATIONS COMPANY OF CALIFORNIA INC. (U 1024 C)
FRONTIER COMMUNICATIONS OF THE SOUTHWEST INC. (U 1026 C)
FRONTIER COMMUNICATIONS ONLINE AND LONG DISTANCE INC. (U 7167 C)
AND FRONTIER COMMUNICATIONS OF AMERICA, INC. (U 5429 C)

## RESPONSE TO "TURN DATA REQUEST 001" (SERVED JULY 20, 2020)

August 3, 2020

Frontier Communications Corporation and its California local exchange and long distance subsidiaries, Frontier California Inc. (U 1002 C), Citizens Telecommunications Company of California Inc. (U 1024 C), Frontier Communications of the Southwest Inc. (U 1026 C), Frontier Communications Online and Long Distance Inc. (U 7167 C), and Frontier Communications of America, Inc. (U 5429 C) (collectively, "Frontier") hereby respond to the data request from The Utility Reform Network ("TURN") identified as "TURN Data Request 001."

MATERIAL NOT RELEVANT TO FRONTIER'S CONFIDENTIALITY SHOWING HAS BEEN REMOVED FROM THIS DOCUMENT

Frontier also notes that some information provided in response to TURN-1 is confidential. This information has been specifically-marked and is provided subject to the protections of the Non-Disclosure Agreement ("NDA") between Frontier and TURN. While terms of the NDA do not require Frontier to provide full legal justifications or declarations to support its identification of confidential information, Frontier has chosen to supply such materials in this case in anticipation of the information provided to TURN being requested by the PAO. The materials marked as confidential in connection with these response are appropriately subject to confidentiality protections under General Order ("G.O.") 66-D and Public Utilities Code Section 583.

Specifically, the information provided herewith includes sensitive historical financial data, projections of future financial results, internal strategic documents, and documents reflecting previous and forecasted customer demand and anticipated network build-out plans. These materials are competitively sensitive and satisfy the applicable legal standards for protection as trade secrets and the public interest balancing test under the California Public Records Act ("CPRA"):

- 1. The confidential data provided herewith are appropriately protected as trade secrets because they constitutes a "pattern" or "compilation" that derives economic value from not being known to the public, including Frontier's current and potential competitors, and Frontier takes steps to maintain this information as confidential. *See* Gov. Code § 6254(k); Civ. Code § 3426.1(d); Evid. Code § 1060. Information of this type is competitively sensitive, confidential, and appropriate for trade secrets protection. *See Fireman's Fund Ins. Co. v. Superior Court*, 233 Cal.App.3d 1138, 1141 (1991) ("highly sensitive commercial information" should be protected as trade secret); *Lipton v. Superior Court*, 48 Cal.App.4th 1599, fn. 20 (1996) (trade secret protection extends to "confidential business information"); *see also* Gov. Code § 6254(k) (exempting "[r]ecords, the disclosure of which is exempted or prohibited pursuant to federal or state law").
- 2. The specified information is subject to protection under the CPRA "balancing test." Government Code Section 6255(a) protects records from disclosure where, "on the facts of the particular case the public interest served by not disclosing the record clearly outweighs the public interest served by disclosure of the record." *International Federation of Professional and Technical Engineers, Local 21, AFL-CIO v. Superior Court*, 42 Cal. 4th 319, 329 (2007). The

Section 6255(a) "public interest" balancing test is appropriately employed to protect competitively-sensitive information from disclosure because a strong public interest exists in encouraging vigorous competition for the benefit of consumers. See Morlife, Inc. v. Perry, 56 Cal. App. 4th 1514, 1520 (1997) ("Yet also fundamental to the preservation of our free market economic system is the concomitant right to have the ingenuity and industry one invests in the success of the business or occupation protected from the gratuitous use of that "sweat-of-thebrow" by others."); Speegle v. Board of Fire Underwriters of the Pacific, 29 Cal. 2d 34, 44 (1946) ("The public interest requires free competition so that prices be not dependent upon an understanding among suppliers of any given commodity, but upon the interplay of the economic forces of supply and demand."); San Diego Water Co. v. San Diego Flume Co., 108 Cal. 549, 559 (1895) ("[C]ompetition is therefore regarded as favorable to the public interest."). The disclosure of this competitively sensitive information would enable other companies to engage in unfair competition with Frontier. This information could inform marketing strategies, operational decisions, and other decisions that a current or potential competitor may pursue to compete with Frontier. This is particularly true given Frontier's current Chapter 11 status, in which the disclosure of the sensitive financial information requested below would be extremely harmful to its ability to emerge from bankruptcy and its future ability to provide high quality service to its customers. Therefore, any public benefit associated with the disclosure of this type of information is far outweighed by the extensive competitive harm caused by forcing the disgorgement of this information through the regulatory process and handing it over to competitors. See Gov. Code § 6255. Such disclosure would undermine the functioning of a competitive market and harm consumers by producing market outcomes that are the product of unfair competition and an abuse of the regulatory process to obtain confidential documents. The balance of equities therefore confirms the imperative to keep these data confidential under the CPRA balancing test.

#### A.20-05-010 (FRONTIER CORPORATE RESTRUCTURING PROCEEDING)

Declaration of Allison M. Ellis on Behalf of
Frontier Communications Corporation,
Frontier California Inc. (U 1002 C),
Citizens Telecommunications Company of California Inc. (U 1024 C),
Frontier Communications of the Southwest Inc. (U 1026 C),
Frontier Communications Online and Long Distance Inc. (U 7167 C), and
Frontier Communications of America, Inc. (U 5429 C)
Supporting Confidential Treatment of Information Supplied in Response to
"TURN CONFIDENTIAL Data Request 002"

#### **September 18, 2020**

#### I, Allison M. Ellis, hereby declare:

- 1. I am the Senior Vice President Regulatory Affairs for Frontier Communications Corporation, including its California local exchange and long distance subsidiaries, Frontier California Inc. (U 1002 C), Citizens Telecommunications Company of California Inc. (U 1024 C), Frontier Communications of the Southwest Inc. (U 1026 C), Frontier Communications Online and Long Distance Inc. (U 7167 C), and Frontier Communications of America, Inc. (U 5429 C) (collectively, "Frontier"). If called as a witness, I could and would competently testify as to the matters stated herein from my own personal knowledge, except as to any matters that I state upon information and belief, and, as to those matters, I am informed and believe them to be true.
- 2. Pursuant to the rules of the California Public Utility Commission (the "Commission") governing the submission of confidential information by parties to Commission proceedings, as set forth in Decision ("D.") 17-09-023 and Commission General Order ("G.O.") 66-D, I submit this declaration to accompany Frontier's confidential treatment of the information provided in Frontier's response to "TURN CONFIDENTIAL Data Request 002" ("TURN-2"), including in both the narrative response and in certain specific attachments accompanying that response which are entitled: "TURN-2.4 (Virtual Separation Presentation Update)

  CONFIDENTIAL," "TURN-2.5 (Chart of Accounts) CONFIDENTIAL," "TURN-2.6 (Locations by

- Entity) CONFIDENTIAL," "TURN-2.6 (California Upgrades) CONFIDENTIAL," "TURN-2.6 (Customer Complaints) CONFIDENTIAL," TURN-2.6 (Housing Units by Threshold)

  CONFIDENTIAL," "TURN-2.7 (Credit Ratings Agency Presentation) CONFIDENTIAL,"

  "TURN-2.10 (Intercompany Claims) CONFIDENTIAL," "TURN-2.12 (VoIP Subscribers)

  CONFIDENTIAL," and "TURN-2.14 (Locations Under 100 Mbps) CONFIDENTIAL."
- 3. I am familiar with the information contained in Frontier's narrative response to TURN-1, as well as with the documents identified below, which Frontier submitted simultaneously with its narrative response and which Frontier has designated as confidential pursuant to Public Utilities Code Section 583 and G.O. 66-D, Section 3.2(b).
- 4. The document "TURN-2.4 (Virtual Separation Presentation Update)

  CONFIDENTIAL" contains detailed information about Frontier's strategic corporate projects which could be used in a tactical manner by Frontier's competitors to obtain an improper competitive advantage against Frontier. Specifically, this document sets out processes by which Frontier can improve its corporate management practices and overall efficiency and also contains strategic information about Frontier's internal timelines for the Federal Communications Commission's Rural Digital Opportunity Fund ("RDOF") competitive auction. This information is of great importance to Frontier because it reveals strategies and areas of focus in Frontier's operations. Frontier holds this information as confidential and would suffer harm if it were disclosed.
- 5. "TURN-2.5 (Chart of Accounts) CONFIDENTIAL" contains confidential internal Frontier business strategies and analyses, including future projected expenses and efficiencies. If disclosed, Frontier's competitors could leverage this current and forecasted business and financial information to make calculated operational and business decisions to the economic detriment of Frontier, resulting in unfair competition and harm to the competitive market, to the detriment of the consumers. Disclosure of the forecasted data would be particularly harmful given that Frontier is currently navigating the Chapter 11 process. Current or potential competitors could utilize these forecasts to gain material information about the business strategy Frontier is likely to pursue postemergence at a time when Frontier faces a competitive disadvantage due to the costs of the pending

Chapter 11 process. Giving competitors sensitive business information about future periods would facilitate unfair competition and be destabilizing to California markets for telecommunications services.

- 6. The documents "TURN-2.6 (Locations by Entity) CONFIDENTIAL;" "TURN-2.6 (California Upgrades) CONFIDENTIAL;" "TURN-2.6 (Housing Units by Threshold)

  CONFIDENTIAL;" "TURN-2.14 (Locations Under 100 Mbps) CONFIDENTIAL" each contain confidential business information. Similarly, the narrative response to Request No. 6, sub-part (b), and the narrative response to Request No. 15, also contain confidential business information of the same type. Specifically, each of these documents and narrative sections contains confidential information relating to Frontier's build-out plans, the release of which would enable competitors to better tailor their own build-out plans, develop targeted marketing, or modify their operations to specifically respond to Frontier's anticipated network improvements. This information is of great importance to Frontier because it reveals investment strategies and areas of focus in Frontier's operations. Frontier holds this information as confidential, and would suffer harm if it were disclosed.
- 7. "TURN-2.6 (Customer Complaints) CONFIDENTIAL" contains confidential business information that Frontier maintains as confidential and which would cause Frontier to suffer harm if it were disclosed. The public release of this information setting out Frontier's internal customer service program and strategies would enable competitors to better target their business plans, develop targeted marketing, or modify their operations to more specifically respond to Frontier's anticipated customer service strategies. This could enable unfair competition and harm Frontier and destabilize the telecommunications market.
- 8. The document "TURN-2.7 (Credit Ratings Agency Presentation) CONFIDENTIAL" contains confidential historical and forecasted financial information for the consolidated Frontier. Frontier consistently holds this business information as confidential, and it derives economic and competitive value from not being known to the public. Specifically, this presentation includes closely held current and forecasted financial information as well as internal Frontier business

strategies and analysis. If disclosed, Frontier's competitors could leverage this information to make calculated operational and business decisions to the economic detriment of Frontier, resulting in unfair competition and harm to the competitive market, to the detriment of the consumers.

Maintaining the confidentiality of this information is particularly important given Frontier's current Chapter 11 status, as Frontier will be less equipped to respond to competition while it is navigating the Chapter 11 process and pursuing the necessary regulatory approvals to emerge from bankruptcy. For these reasons, any public benefit associated with the disclosure of this sensitive business and financial information is far outweighed by the extensive competitive harm that would be caused by the public disclosure of this information.

- 9. "TURN-2.10 (Intercompany Claims) CONFIDENTIAL" contains confidential financial data regarding each of the California operating companies. If disclosed, Frontier's competitors could leverage this company-specific financial information to make calculated operational and business decisions to the economic detriment of Frontier, resulting in unfair competition and harm to the competitive market, to the detriment of the consumers. Disclosure of the forecasted aspects of these financials at the operating company level would be particularly harmful given that Frontier is currently navigating the Chapter 11 process. Current or potential competitors could utilize these forecasts to gain material information about the business strategy Frontier is likely to pursue post-emergence at a time when Frontier faces a competitive disadvantage due to the costs of the pending Chapter 11 process. Giving competitors sensitive business information about future periods would facilitate unfair competition and be destabilizing to California markets for telecommunications services.
- 10. "TURN-2.12 (VoIP Subscribers) CONFIDENTIAL" contains confidential business information regarding each of the California operating companies. Frontier maintains this information as confidential, and it derives economic and competitive value from not being known to the public. Specifically, this document contains granular customer counts for each of the California operating subsidiaries for Frontier's non-regulated services. Disclosure of this information would enable competitors to better target their own build-out plans, develop targeted marketing, or modify

their operations to more specifically respond to Frontier's anticipated business strategies. This could enable unfair competition and harm Frontier and destabilize the telecommunications market.

- 11. The data identified above derive economic value from not being known to the public, and Frontier and its affiliates take reasonable measures to protect this information from public disclosure. For these reasons, this information has been marked confidential and is being voluntarily provided to the Commission in expectation of protection from disclosure as a trade secret. See Gov. Code § 6254(k); Evid. Code § 1060; Civ. Code 3426.1(d).
- 12. Public disclosure of the above information would also be contrary to the public interest, as its release could distort the competitive market, to the ultimate detriment of customers. Additionally, as described above, the release of Frontier's customer service training manual could be extremely harmful to Frontier's customer if used to perpetrate fraudulent or disruptive customer service communications. I am not aware of any material public benefit to be advanced by releasing the above-described information. Therefore, the balance of public interest factors favors maintaining the information as confidential. See Gov. Code § 6255.
- 13. For the foregoing reasons, I believe the referenced information is appropriate for confidential treatment. *See* Pub. Util. Code § 583; G.O. 66-D § 3.2(b); Gov. Code § 6254(k), 6255; Cal. Evid. Code § 1060; Civ. Code § 3426.1(d).

Dated this 18th day of September, 2020 at Durham, North Carolina.

Allison M. Ellis

Senior Vice President – Regulatory Affairs Frontier Communications Corporation, Frontier California, Inc., Citizens Telecommunications Company of California, Inc., Frontier Communications of the Southwest, Inc., Frontier Communications Online and Long Distance Inc. and Frontier Communications of America, Inc.

& Ellis

#### A.20-05-010 (FRONTIER CORPORATE RESTRUCTURING)

FRONTIER COMMUNICATIONS CORPORATION
FRONTIER CALIFORNIA INC. (U 1002 C)
CITIZENS TELECOMMUNICATIONS COMPANY OF CALIFORNIA INC. (U 1024 C)
FRONTIER COMMUNICATIONS OF THE SOUTHWEST INC. (U 1026 C)
FRONTIER COMMUNICATIONS ONLINE AND LONG DISTANCE INC. (U 7167 C)
AND FRONTIER COMMUNICATIONS OF AMERICA, INC. (U 5429 C)

# RESPONSE TO "TURN CONFIDENTIAL DATA REQUEST 002" QUESTIONS 1-7, 10-21 (SERVED SEPTEMBER 4, 2020)

**September 18, 2020** 

Frontier Communications Corporation and its California local exchange and long distance subsidiaries, Frontier California Inc. (U 1002 C), Citizens Telecommunications Company of California Inc. (U 1024 C), Frontier Communications of the Southwest Inc. (U 1026 C), Frontier Communications Online and Long Distance Inc. (U 7167 C), and Frontier Communications of America, Inc. (U 5429 C) (collectively, "Frontier") hereby respond to the data request from The Utility Reform Network ("TURN") identified as "TURN CONFIDENTIAL Data Request 002." For ease of reference, Frontier will refer to this data request as "TURN-2.

MATERIAL NOT RELEVANT TO FRONTIER'S CONFIDENTIALITY SHOWING HAS BEEN REMOVED FROM THIS DOCUMENT

Frontier also notes that some information provided in response to TURN-2 is confidential. This information has been specifically-marked and is provided subject to the protections of the Non-Disclosure Agreement ("NDA") between Frontier and TURN. While terms of the NDA do not require Frontier to provide full legal justifications or declarations to support its identification of confidential information, Frontier has chosen to supply such materials because the information provided to TURN is also being requested by the PAO through a separate data request. The materials marked as confidential in connection with these response are appropriately subject to confidentiality protections under General Order ("G.O.") 66-D and Public Utilities Code Section 583. A supporting declaration from Senior Vice President of Regulatory Affairs, Allison M. Ellis, is provided to support these designations and comply with the requirements of G.O. 66-D, Section 3.2.

Specifically, the information provided herewith includes sensitive historical financial data, projections of future financial results, internal strategic documents, and documents reflecting previous and forecasted customer demand and anticipated network build-out plans. These materials are competitively sensitive and satisfy the applicable legal standards for protection as trade secrets and the public interest balancing test under the California Public Records Act ("CPRA"):

- 1. The confidential data provided herewith are appropriately protected as trade secrets because they constitute a "pattern" or "compilation" that derives economic value from not being known to the public, including Frontier's current and potential competitors, and Frontier takes steps to maintain this information as confidential. *See* Gov. Code § 6254(k); Civ. Code § 3426.1(d); Evid. Code § 1060. Information of this type is competitively sensitive, confidential, and appropriate for trade secrets protection.
- 2. The specified information is subject to protection under the CPRA "balancing test." Government Code Section 6255(a) protects records from disclosure where, "on the facts of the particular case the public interest served by not disclosing the record clearly outweighs the public interest served by disclosure of the record." International Federation of Professional and Technical Engineers, Local 21, AFL-CIO v. Superior Court, 42 Cal. 4th 319, 329 (2007). The Section 6255(a) "public interest" balancing test is appropriately employed to protect competitively-sensitive information from disclosure because a strong public interest exists in encouraging vigorous competition for the benefit of consumers. See Morlife, Inc. v. Perry, 56 Cal. App. 4th 1514, 1520 (1997) ("Yet also fundamental to the preservation of our free market economic system is the concomitant right to have the ingenuity and industry one invests in the success of the business or occupation protected from the gratuitous use of that "sweat-of-thebrow" by others."); Speegle v. Board of Fire Underwriters of the Pacific, 29 Cal. 2d 34, 44 (1946) ("The public interest requires free competition so that prices be not dependent upon an understanding among suppliers of any given commodity, but upon the interplay of the economic forces of supply and demand."); San Diego Water Co. v. San Diego Flume Co., 108 Cal. 549, 559 (1895) ("[C]ompetition is therefore regarded as favorable to the public interest."). The

disclosure of this competitively sensitive information would enable other companies to engage in unfair competition with Frontier. This is particularly true given Frontier's current Chapter 11 status, in which it is more difficult for Frontier to respond to efficiently respond to new marketing campaigns or operational shifts from competitors. Any public benefit associated with the disclosure of this type of information is far outweighed by the extensive competitive harm caused by forcing the disgorgement of this information through the regulatory process and handing it over to competitors. See Gov. Code § 6255. Such disclosure would undermine the functioning of a competitive market and harm consumers by producing market outcomes that are the product of unfair competition and an abuse of the regulatory process to obtain confidential documents. The balance of equities therefore confirms the imperative to keep these data confidential under the CPRA balancing test.

#### A.20-05-010 (FRONTIER CORPORATE RESTRUCTURING PROCEEDING)

Declaration of Allison M. Ellis on Behalf of
Frontier Communications Corporation,
Frontier California Inc. (U 1002 C),
Citizens Telecommunications Company of California Inc. (U 1024 C),
Frontier Communications of the Southwest Inc. (U 1026 C),
Frontier Communications Online and Long Distance Inc. (U 7167 C), and
Frontier Communications of America, Inc. (U 5429 C)
Supporting Confidential Treatment of Information Supplied in Response to
"TURN CONFIDENTIAL Data Request 002" Request Nos. 8 & 9

#### **September 21, 2020**

#### I, Allison M. Ellis, hereby declare:

- 1. I am the Senior Vice President Regulatory Affairs for Frontier Communications Corporation, including its California local exchange and long distance subsidiaries, Frontier California Inc. (U 1002 C), Citizens Telecommunications Company of California Inc. (U 1024 C), Frontier Communications of the Southwest Inc. (U 1026 C), Frontier Communications Online and Long Distance Inc. (U 7167 C), and Frontier Communications of America, Inc. (U 5429 C) (collectively, "Frontier"). If called as a witness, I could and would competently testify as to the matters stated herein from my own personal knowledge, except as to any matters that I state upon information and belief, and, as to those matters, I am informed and believe them to be true.
- 2. Pursuant to the rules of the California Public Utility Commission (the "Commission") governing the submission of confidential information by parties to Commission proceedings, as set forth in Decision ("D.") 17-09-023 and Commission General Order ("G.O.") 66-D, I submit this declaration to accompany Frontier's confidential treatment of the information provided in Frontier's supplemental response to "TURN CONFIDENTIAL Data Request 002" ("TURN-2"), including in a specific attachment accompanying that response which is entitled: "TURN-2.9 (Finance Committee Documents) CONFIDENTIAL-LAWYERS ONLY"
  - 3. I am familiar with the information contained in Frontier's supplemental response to

TURN-2, as well as with the documents in the zip file identified below, which Frontier submitted with its narrative response and which Frontier has designated as confidential pursuant to Public Utilities Code Section 583 and G.O. 66-D, Section 3.2(b). This highly confidential information is also marked as "CONFIDENTIAL-LAWYERS ONLY" under the terms of the Non-Disclosure Agreement ("NDA") with TURN.

- 4. The zip file "TURN-2.9 (Finance Committee Documents) CONFIDENTIAL-LAWYERS ONLY" contains large amounts of confidential business information that is competitively sensitive and market sensitive. Specifically, this file includes many pages of closely held current and forecasted financial information as well as internal Frontier business strategies and analysis. If disclosed, Frontier's competitors could leverage this information to make calculated operational and business decisions to the economic detriment of Frontier, resulting in unfair competition and harm to the competitive market, to the detriment of the consumers. If disclosed, this information could also distort financial markets by exposing internal analyses and business strategies to public view. For these reasons, any public benefit associated with the disclosure of this sensitive business and financial information is far outweighed by the extensive competitive harm that would be caused by the public disclosure of this information.
- 5. The data identified above derive economic value from not being known to the public, and Frontier and its affiliates take reasonable measures to protect this information from public disclosure. This information is highly confidential, so it has been marked as "CONFIDENTIAL-LAWYERS ONLY" and is being voluntarily provided to the Commission in expectation of protection from disclosure as a trade secret. See Gov. Code § 6254(k); Evid. Code § 1060; Civ. Code 3426.1(d).
- 6. Public disclosure of the above information would also be contrary to the public interest, as its release could distort the competitive market, to the ultimate detriment of customers. I am not aware of any material public benefit to be advanced by releasing the above-described information. Therefore, the balance of public interest factors favors maintaining the information as confidential. See Gov. Code § 6255.

7. For the foregoing reasons, I believe the referenced information is appropriate for confidential treatment. *See* Pub. Util. Code § 583; G.O. 66-D § 3.2(b); Gov. Code §§ 6254(k), 6255; Cal. Evid. Code § 1060; Civ. Code § 3426.1(d).

Dated this 21st day of September, 2020 at Durham, North Carolina.

Allison M. Ellis

Senior Vice President – Regulatory Affairs Frontier Communications Corporation, Frontier California, Inc., Citizens Telecommunications Company of California, Inc., Frontier Communications of the Southwest, Inc., Frontier Communications Online and Long Distance Inc. and Frontier Communications of America, Inc.

, & Ellis

#### A.20-05-010 (FRONTIER CORPORATE RESTRUCTURING)

FRONTIER COMMUNICATIONS CORPORATION
FRONTIER CALIFORNIA INC. (U 1002 C)
CITIZENS TELECOMMUNICATIONS COMPANY OF CALIFORNIA INC. (U 1024 C)
FRONTIER COMMUNICATIONS OF THE SOUTHWEST INC. (U 1026 C)
FRONTIER COMMUNICATIONS ONLINE AND LONG DISTANCE INC. (U 7167 C)
AND FRONTIER COMMUNICATIONS OF AMERICA, INC. (U 5429 C)

# SUPPLEMENTAL RESPONSE TO "TURN CONFIDENTIAL DATA REQUEST 002" REQUESTS 8 & 9 (SERVED SEPTEMBER 4, 2020)

**September 21, 2020** 

Frontier Communications Corporation and its California local exchange and long distance subsidiaries, Frontier California Inc. (U 1002 C), Citizens Telecommunications Company of California Inc. (U 1024 C), Frontier Communications of the Southwest Inc. (U 1026 C), Frontier Communications Online and Long Distance Inc. (U 7167 C), and Frontier Communications of America, Inc. (U 5429 C) (collectively, "Frontier") hereby provide this supplemental response to the data request from The Utility Reform Network ("TURN") identified as "TURN CONFIDENTIAL Data Request 002." For ease of reference, Frontier will refer to this data request as "TURN-2."

MATERIAL NOT RELEVANT TO FRONTIER'S CONFIDENTIALITY SHOWING HAS BEEN REMOVED FROM THIS DOCUMENT

Frontier also notes that some information provided in response to TURN-2 is highly confidential and marked as "CONFIDENTIAL-LAWYERS ONLY" under the terms of the Non-Disclosure Agreement ("NDA") between Frontier and TURN. While terms of the NDA do not require Frontier to provide full legal justifications or declarations to support its identification of confidential information, Frontier has chosen to supply such materials because the information provided to TURN is also being requested by the PAO through a separate data request. The materials marked as confidential in connection with these response are appropriately subject to confidentiality protections under General Order ("G.O.") 66-D and Public Utilities Code Section 583. A supporting declaration from Senior Vice President of Regulatory Affairs, Allison Ellis, is provided to support these designations and comply with the requirements of G.O. 66-D, Section 3.2.

Specifically, the information provided herewith includes sensitive historical financial data, projections of future financial results, internal strategic documents, and documents reflecting previous and forecasted customer demand and anticipated network build-out plans. These materials are competitively sensitive and satisfy the applicable legal standards for protection as trade secrets and the public interest balancing test under the California Public Records Act ("CPRA"):

- 1. The confidential data provided herewith are appropriately protected as trade secrets because they constitute a "pattern" or "compilation" that derives economic value from not being known to the public, including Frontier's current and potential competitors, and Frontier takes steps to maintain this information as confidential. *See* Gov. Code § 6254(k); Civ. Code § 3426.1(d); Evid. Code § 1060. Information of this type is competitively sensitive, confidential, and appropriate for trade secrets protection.
- 2. The specified information is subject to protection under the CPRA "balancing test." Government Code Section 6255(a) protects records from disclosure where, "on the facts of the particular case the public interest served by not disclosing the record clearly outweighs the public interest served by disclosure of the record." *International Federation of Professional and Technical Engineers, Local 21, AFL-CIO v. Superior Court*, 42 Cal. 4th 319, 329 (2007). The

Section 6255(a) "public interest" balancing test is appropriately employed to protect competitively-sensitive information from disclosure because a strong public interest exists in encouraging vigorous competition for the benefit of consumers. See Morlife, Inc. v. Perry, 56 Cal. App. 4th 1514, 1520 (1997) ("Yet also fundamental to the preservation of our free market economic system is the concomitant right to have the ingenuity and industry one invests in the success of the business or occupation protected from the gratuitous use of that "sweat-of-thebrow" by others."); Speegle v. Board of Fire Underwriters of the Pacific, 29 Cal. 2d 34, 44 (1946) ("The public interest requires free competition so that prices be not dependent upon an understanding among suppliers of any given commodity, but upon the interplay of the economic forces of supply and demand."); San Diego Water Co. v. San Diego Flume Co., 108 Cal. 549, 559 (1895) ("[C]ompetition is therefore regarded as favorable to the public interest."). The disclosure of this competitively sensitive information would enable other companies to engage in unfair competition with Frontier. This is particularly true given Frontier's current Chapter 11 status, in which it is more difficult for Frontier to respond to efficiently respond to new marketing campaigns or operational shifts from competitors. Any public benefit associated with the disclosure of this type of information is far outweighed by the extensive competitive harm caused by forcing the disgorgement of this information through the regulatory process and handing it over to competitors. See Gov. Code § 6255. Such disclosure would undermine the functioning of a competitive market and harm consumers by producing market outcomes that are the product of unfair competition and an abuse of the regulatory process to obtain confidential documents. The balance of equities therefore confirms the imperative to keep these data confidential under the CPRA balancing test.

#### A.20-05-010 (FRONTIER CORPORATE RESTRUCTURING PROCEEDING)

Declaration of Allison M. Ellis on Behalf of
Frontier Communications Corporation,
Frontier California Inc. (U 1002 C),
Citizens Telecommunications Company of California Inc. (U 1024 C),
Frontier Communications of the Southwest Inc. (U 1026 C),
Frontier Communications Online and Long Distance Inc. (U 7167 C), and
Frontier Communications of America, Inc. (U 5429 C)
Supporting Confidential Treatment of Information Supplied in Response to
"Public Advocates Office Data Request 01"

#### July 13, 2020

#### I, Allison M. Ellis, hereby declare:

- 1. I am the Senior Vice President Regulatory Affairs for Frontier Communications Corporation, including its California local exchange and long distance subsidiaries, Frontier California Inc. (U 1002 C), Citizens Telecommunications Company of California Inc. (U 1024 C), Frontier Communications of the Southwest Inc. (U 1026 C), Frontier Communications Online and Long Distance Inc. (U 7167 C), and Frontier Communications of America, Inc. (U 5429 C) (collectively, "Frontier"). If called as a witness, I could and would competently testify as to the matters stated herein from my own personal knowledge, except as to any matters that I state upon information and belief, and, as to those matters, I am informed and believe them to be true.
- 2. Pursuant to the rules of the California Public Utility Commission (the "Commission") governing the submission of confidential information by parties to Commission proceedings, as set forth in Decision ("D.") 17-09-023 and Commission General Order ("G.O.") 66-D, I submit this declaration to accompany Frontier's confidential treatment of the information provided in Frontier's narrative response to "Public Advocates Office Data Request 01" ("PAO-01"), as well as in certain specific attachments accompanying that response which are entitled: "PAO-01.02 & 01.03 (Financials) CONFIDENTIAL," "PAO-01.06 (FCA AL 12772B Projects) CONFIDENTIAL," "PAO-01.06

(FCA AL 12828 Projects) CONFIDENTIAL," "PAO-01.06 (CTC AL 1239B Projects)

CONFIDENTIAL," "PAO-01.07 (Capital Investment) CONFIDENTIAL," "PAO-01.08

(Anticipated Capital Investment) CONFIDENTIAL," "PAO-01.09 (GO 133-D Reports)

CONFIDENTIAL," "PAO-01.09 (ACE Program) CONFIDENTIAL," "PAO-01.09 (CA

Capacity and Dispatch) CONFIDENTIAL," "PAO-01.09 (CA Performance Scorecard)

CONFIDENTIAL," "PAO-01.09 (DoO Performance) CONFIDENTIAL," "PAO-01.09 (Field

Ops Q1 QBR) CONFIDENTIAL," "PAO-01.09 (Field Ops Q2 QBR) CONFIDENTIAL,"

"PAO-01.10 (Outages) CONFIDENTIAL," "PAO-01.12 CONFIDENTIAL (Subscribers),"

"PAO-01.12 CONFIDENTIAL (Affordable Broadband)," and "PAO-01.13 (Training Manual)

CONFIDENTIAL."

- 3. I am familiar with the information contained in Frontier's narrative response to PAO-01, portions of which Frontier has designated as confidential pursuant to Public Utilities Code Section 583 and G.O. 66-D, Section 3.2(b). Additionally, the documents identified below, which were submitted simultaneously with Frontier's narrative response, also contain confidential information and have been designated as such.
- 4. The document "PAO-01.02 & 01.03 (Financials) CONFIDENTIAL" contains confidential financial data regarding each of the California operating companies, including information regarding the profitability of the companies. If disclosed, Frontier's competitors could leverage this current and forecasted financial information to make calculated operational and business decisions to the economic detriment of Frontier, resulting in unfair competition and harm to the competitive market, to the detriment of the consumers. Disclosure of the forecasted aspects of these financials at the operating company level would be particularly harmful given that Frontier is currently navigating the Chapter 11 process. Current or potential competitors could utilize these forecasts to gain material information about the business strategy the Frontier is likely to pursue post-emergence at a time when Frontier faces a competitive disadvantage due to the costs of the pending Chapter 11 process. Giving competitors sensitive business information about future periods would facilitate unfair competition and be destabilizing to

California markets for telecommunications services.

- 5. The documents "PAO-01.06 (FCA AL 12772B Projects) CONFIDENTIAL," "PAO-01.06 (FCA AL 12804 Projects) CONFIDENTIAL," "PAO-01.06 (FCA AL 12828 Projects) CONFIDENTIAL," and "PAO-01.06 (CTC AL 1239B Projects) CONFIDENTIAL" each contain detailed confidential financial and business information relating to numerous Frontier capital investment projects. If disclosed, this financial and business information could be used by Frontier's competitors, which would significantly harm Frontier. Frontier maintains this information as confidential because of its strategic importance and because its disclosure would cause harm.
- 6. The document "PAO-01.07 (Capital Investment) CONFIDENTIAL" contains comprehensive information about Frontier's on-going capital investment projects which, like the financial information above, could be strategically used by Frontier's competitors to obtain an improper competitive advantage against Frontier. This information is of great importance to Frontier because it reveals investment strategies and areas of focus in Frontier's operations. Frontier holds this information as confidential, and would suffer harm if it were disclosed.
- 7. The document identified as "PAO-01.08 (Anticipated Capital Investment)

  CONFIDENTIAL" contains information on Frontier's anticipated future capital investment projects. Again, disclosure of this information would expose closely held business strategies to Frontier's great detriment. This is confidential business information of strategic importance to Frontier and, if it were revealed to a competitor, it would result in unfair competition and harm to the competitive market and to consumers. This is particularly true in light of Frontier's current Chapter 11 status. Disclosure of forecasted investment data to current or potential competitors about Frontier's post-emergence business strategy at a time when Frontier is experiencing the heightened costs of the Chapter 11 process and cannot react as efficiently to compete on an even playing field after emergence from bankruptcy. This would, in turn, harm consumers by distorting the telecommunications market in California.

- 8. The documents entitled "PAO-01.09 (GO 133-D Reports) CONFIDENTIAL," "PAO-01.09 (ACE Program) CONFIDENTIAL," "PAO-01.09 (CA Capacity and Dispatch) CONFIDENTIAL," "PAO-01.09 (CA Performance Scorecard) CONFIDENTIAL," "PAO-01.09 (DoO Performance) CONFIDENTIAL," "PAO-01.09 (Field Ops Q1 QBR) CONFIDENTIAL," "PAO-01.09 (Field Ops Q2 QBR) CONFIDENTIAL" each contain confidential information relating to Frontier's internal service quality metrics. Frontier has developed these materials over a period of years and they have significant value in operationalizing Frontier's customer service approach. Publicly disclosing this information would enable competitors to replicate these processes or leverage them to gain a competitive edge over Frontier.
- 9. "PAO-01.10 (Outages) CONFIDENTIAL" contains detailed network information about service outages that is of significant importance to Frontier. If this information were available to Frontier's competitors, these companies could aggressively target certain segments of Frontier's customers and adjust their business strategies to target these specific areas and obtain a competitive advantage over Frontier.
- 10. "PAO-01.12 CONFIDENTIAL (Subscribers) CONFIDENTIAL" contains highly granular customer information over a wide variety of services and categorized on a month-bymonth basis. "PAO-01.12 CONFIDENTIAL (Affordable Broadband)" includes monthly subscribership information regarding Frontier's affordable broadband programs. If a current or potential competitor knew the details of this customer demand data, it could be used against Frontier through targeted marketing or operational adjustments by Frontier's competitors.
- 11. "PAO-01.13 (Training Manual) CONFIDENTIAL" contains confidential business information that Frontier protects from disclosure because it could provide rival companies with an improper competitive advantage. Frontier has spent years refining and improving its customer service training program and would be significantly harmed if this information were disclosed to competitors. It is also particularly important that this information be protected as confidential, as public release of this manual would make it significantly easier for an individual to impersonate a Frontier customer service employee and defraud Frontier's customers.

- 12. The narrative response to Request No. 17 in the document entitled "Frontier Response to PAO-01" contains detailed information regarding the number of Frontier's Voice over Internet Protocol customers. As with the other customer demand information, Frontier takes steps to protect this information because could be used to inform targeted marketing or operational adjustments by Frontier's competitors, who could capitalize on this confidential information to better compete with Frontier.
- 13. The data identified above derive economic value from not being known to the public, and Frontier and its affiliates take reasonable measures to protect this information from public disclosure. For these reasons, this information has been marked confidential and is being voluntarily provided to the Commission in expectation of protection from disclosure as a trade secret. See Gov. Code § 6254(k); Evid. Code § 1060; Civ. Code 3426.1.
- 14. Public disclosure of the above information would also be contrary to the public interest, as its release could distort the competitive market, to the ultimate detriment of customers. Additionally, as described above, the release of Frontier's customer service training manual could be extremely harmful to Frontier's customer if used to perpetrate fraudulent or disruptive customer service communications. I am not aware of any material public benefit to be advanced by releasing the above-described information. Therefore, the balance of public interest factors favors maintaining the information as confidential. See Gov. Code § 6255.

15. For the foregoing reasons, I believe the referenced information is appropriate for confidential treatment. *See* Pub. Util. Code § 583; G.O. 66-D § 3.2(b); Gov. Code §§ 6254(k), 6255; Cal. Evid. Code § 1060; Civ. Code § 3426.1; D.07-05-045; Cal. Gov't. Code § 6254(n).

Dated this 13th day of July, 2020 at Durham, North Carolina.

Allison M. Ellis

Senior Vice President – Regulatory Affairs Frontier Communications Corporation, Frontier California, Inc., Citizens Telecommunications Company of California, Inc., Frontier Communications of the Southwest, Inc., Frontier Communications Online and Long Distance Inc. and Frontier Communications of America, Inc.

& Ellis

#### A.20-05-010 (FRONTIER CORPORATE RESTRUCTURING PROCEEDING)

Declaration of Allison M. Ellis on Behalf of
Frontier Communications Corporation,
Frontier California Inc. (U 1002 C),
Citizens Telecommunications Company of California Inc. (U 1024 C),
Frontier Communications of the Southwest Inc. (U 1026 C),
Frontier Communications Online and Long Distance Inc. (U 7167 C), and
Frontier Communications of America, Inc. (U 5429 C)
Supporting Confidential Treatment of Information Supplied in Response to
"Public Advocates Office Data Request 02"

#### August 6, 2020

#### I, Allison M. Ellis, hereby declare:

- 1. I am the Senior Vice President Regulatory Affairs for Frontier Communications Corporation, including its California local exchange and long distance subsidiaries, Frontier California Inc. (U 1002 C), Citizens Telecommunications Company of California Inc. (U 1024 C), Frontier Communications of the Southwest Inc. (U 1026 C), Frontier Communications Online and Long Distance Inc. (U 7167 C), and Frontier Communications of America, Inc. (U 5429 C) (collectively, "Frontier"). If called as a witness, I could and would competently testify as to the matters stated herein from my own personal knowledge, except as to any matters that I state upon information and belief, and, as to those matters, I am informed and believe them to be true.
- 2. Pursuant to the rules of the California Public Utility Commission (the "Commission") governing the submission of confidential information by parties to Commission proceedings, as set forth in Decision ("D.") 17-09-023 and Commission General Order ("G.O.") 66-D, I submit this declaration to accompany Frontier's confidential treatment of the information provided in Frontier's response to "Public Advocates Office Data Request 02" ("PAO-02"), including in certain specific attachments accompanying that response which are entitled: "PAO-2.6 (Financial Projections) CONFIDENTIAL," "PAO-2.9 (Employees) CONFIDENTIAL,"

"PAO-2.13 (RDOF Timeline) CONFIDENTIAL," "PAO-2.23 (Virtual Separation Presentation) CONFIDENTIAL."

- 3. I am familiar with the information contained in Frontier's narrative response to PAO-02, portions of which Frontier has designated as confidential pursuant to Public Utilities Code Section 583 and G.O. 66-D, Section 3.2(b). Additionally, the documents identified below, which were submitted simultaneously with Frontier's narrative response, also contain confidential information and have been designated as such.
- 4. "PAO-2.6 (Financial Projections) CONFIDENTIAL" contains confidential historical and forecasted financial data for Frontier. Additionally, the narrative response to Request No. 6 "Frontier Response to PAO-02" contains portions of this confidential financial information excerpted from the spreadsheet and used in a narrative format. If disclosed, Frontier's competitors could leverage this historical and forecasted financial information to make calculated operational and business decisions to the economic detriment of Frontier, resulting in unfair competition and harm to the competitive market, to the detriment of the consumers. In particular, disclosure of the forecasted aspects of these financials would be particularly harmful given that Frontier is currently navigating the Chapter 11 process. Current or potential competitors could utilize these forecasts to gain material information about the business strategy the Frontier is likely to pursue post-emergence at a time when Frontier faces a competitive disadvantage due to the costs and uncertainties of the pending Chapter 11 process. Giving competitors sensitive business information about future periods would facilitate unfair competition and be destabilizing to California markets for telecommunications services.
- 5. "PAO-2.9 (Employees) CONFIDENTIAL" contains a complete and detailed list of every single California-based Frontier employee as well as every single Frontier corporate employee who supports Frontier's California operations. This highly detailed information about Frontier's corporate structure on both a national and state-level is confidential information of strategic importance to Frontier and, if it were revealed to a competitor, it would result in unfair competition and harm to the competitive market and to consumers. Frontier has developed its

national and local corporate structure over a period of years and it maintains significant value for Frontier. Publicly disclosing this information would enable competitors to replicate Frontier's structure or leverage potential weaknesses in structure so as to gain a competitive edge over Frontier.

- 6. The documents "PAO-2.13 (RDOF Timeline) CONFIDENTIAL" and "PAO-2.23 (Virtual Separation Presentation) CONFIDENTIAL" and contain detailed information about Frontier's strategic corporate projects which, like the financial information above, could be used in a tactical manner by Frontier's competitors to obtain an improper competitive advantage against Frontier. Specifically, "PAO-2.23 (Virtual Separation Presentation) CONFIDENTIAL" sets out processes by which Frontier can improve its corporate management practices and overall efficiency while "PAO-2.13 (RDOF Timeline) CONFIDENTIAL" contains strategic information about Frontier's internal timelines for the Federal Communications Commission's Rural Digital Opportunity Fund ("RDOF") competitive auction. This information is of great importance to Frontier because it reveals strategies and areas of focus in Frontier's operations. Frontier holds this information as confidential and would suffer harm if it were disclosed.
- 7. The data identified above derive economic value from not being known to the public, and Frontier and its affiliates take reasonable measures to protect this information from public disclosure. For these reasons, this information has been marked confidential and is being voluntarily provided to the Commission in expectation of protection from disclosure as a trade secret. See Gov. Code § 6254(k); Evid. Code § 1060; Civ. Code 3426.1.
- 8. Public disclosure of the above information would also be contrary to the public interest, as its release could distort the competitive market, to the ultimate detriment of customers. I am not aware of any material public benefit to be advanced by releasing the above-described information. Therefore, the balance of public interest factors favors maintaining the information as confidential. See Gov. Code § 6255.

9. For the foregoing reasons, I believe the referenced information is appropriate for confidential treatment. *See* Pub. Util. Code § 583; G.O. 66-D § 3.2(b); Gov. Code §§ 6254(k), 6255; Cal. Evid. Code § 1060; Civ. Code § 3426.1; D.07-05-045.

Dated this 6th day of August, 2020 at Durham, North Carolina.

Allison M. Ellis

Senior Vice President – Regulatory Affairs Frontier Communications Corporation, Frontier California, Inc., Citizens Telecommunications Company of California, Inc., Frontier Communications of the Southwest, Inc., Frontier Communications Online and Long Distance Inc. and Frontier Communications of America, Inc.

. & Ellis



Direct Line: 415-765-0320 E-Mail: wcharley@cwclaw.com

June 1, 2020

#### **VIA EMAIL**

Noel Obiora Public Advocates Office California Public Utilities Commission 505 Van Ness Avenue San Francisco, CA 94102 noel.obiora@cpuc.ca.gov

> Re: A.20-05-010 (Frontier Restructuring Application) – Request for Confidential Version of Exhibit G to Application

Dear Mr. Obiora

We understand that the Public Advocates Office has requested confidential Exhibit G to the Application submitted by Frontier Communications Corporation, Frontier California Inc. (U 1002 C), Citizens Telecommunications Company of California Inc. (U 1024 C), Frontier Communications of the Southwest Inc. (U 1026 C), Frontier Communications Online and Long Distance Inc. (U 7167 C), Frontier Communications of America, Inc. (U 5429 C) (collectively "Frontier") that initiated the above-referenced proceeding on May 22, 2020. The exhibit was submitted under seal and accompanied by a Motion for Seal that identified the legal grounds for its confidential treatment, but because this document has been separately requested, we are supplying this letter to support the confidentiality designation and supply the appropriate legal authority in accordance with General Order ("G.O.") 66-D and Public Utilities Code Section 583. This letter is also accompanied by the confidentiality declaration of Charlie Born, Director - Government and External Affairs for Frontier, who has been delegated responsibility for determining and supporting confidential designations of information in Frontier's submissions to the California Public Utilities Commission ("Commission").

Exhibit G to the Application contains certain sensitive financial documents, including the balance sheet and income statement information for the five Frontier operating companies identified in the Application. Frontier holds this information as confidential so that it will not be exposed to competitors or be used to facilitate unfair competition. It is not part of any public financial disclosures or public regulatory filings. This information is therefore properly designated and marked as confidential pursuant to Public Utilities Code Section 583 and the confidentiality protocols in General Order ("G.O.") 66-D. The confidential nature of the operating

Public Advocates Office June 1, 2020 Page 2

company-level specific financials is further supported the legal authorities below and by the accompanying declaration of Mr. Charlie Born.

Exhibit G satisfies the Commission's standards for confidential treatment and should be held under seal and protected from public disclosure. The financials contain operating company-level information that constitutes a trade secret because it describes a "pattern" and "compilation" that derives economic value from not being known to the public and Frontier's current and potential competitors. See Evid. Code § 1060; Civ. Code § 3426.1(d), et seq. Trade secrets are protected from disclosure under Government Code Section 6254(k), which incorporates other provisions of law that restrict the public disclosure of information. The operating company specific financials are also subject to protection under the California Public Records Act ("CPRA") balancing test, which protects information where "on the facts of the particular case the public interest served by not disclosing the record clearly outweighs the public interest served by disclosure of the record." Pub. Util. Code § 6255; International Federation of Professional and Technical Engineers, Local 21, AFL-CIO v. Superior Court, 42 Cal. 4th 319, 329 (2007). The Section 6255(a) "public interest" balancing test is appropriately employed to protect competitive information from disclosure because a strong public interest exists in encouraging vigorous competition for the benefit of consumers. See Morlife, Inc. v. Perry, 56 Cal. App. 4th 1514, 1520 (1997) ("Yet also fundamental to the preservation of our free market economic system is the . . . right to have the ingenuity and industry one invests in the success of the business or occupation protected from the gratuitous use of that 'sweat-of-thebrow' by others."). Forced public disclosure of this information through the regulatory process would undermine the functioning of a competitive market and harm consumers by producing market outcomes that are the product of unfair competition and an abuse of the regulatory process. There is no countervailing public benefit from disclosure that could satisfy the balancing test.

\* \* \*

As the above discussion demonstrates, Exhibit G to the Application submitted herewith is confidential in nature and protected by law from disclosure, consistent with Public Utilities Code Section 583. Should questions arise regarding this response, please direct them to me by email at <a href="https://www.com">wcharley@cwclaw.com</a> or by phone at 415-765-0320.

/s/	

cc: Kristina Donnelly Attachment A.20-05-010

FRONTIER COMMUNICATIONS CORPORATION
FRONTIER CALIFORNIA INC. (U 1002 C)
CITIZENS TELECOMMUNICATIONS COMPANY OF CALIFORNIA INC. (U 1024 C),
FRONTIER COMMUNICATIONS OF THE SOUTHWEST INC. (U 1026 C),
FRONTIER COMMUNICATIONS ONLINE AND LONG DISTANCE INC. (U 7167 C),
AND FRONTIER COMMUNICATIONS OF AMERICA, INC. (U 5429 C)

## DECLARATION OF ALLISON ELLISON IN SUPPORT OF FACTUAL INFORMATION CONTAINED IN THE OPENING TESTIMONY OF MARK D. NIELSEN

#### August 4, 2020

I, Allison Ellis, hereby declare:

- 1. I am a Senior Vice President for Frontier Communications Corporation, Frontier California Inc. (U-1002-C), Citizens Telecommunications Company of California Inc. (U-1024-C), Frontier Communications of the Southwest Inc. (U-1026-C), Frontier Communications Online and Long Distance Inc. (U 7167 C), and Frontier Communications of America, Inc. (U 5429 C) (collectively, "Frontier"). If called as a witness, I could and would competently testify as to the matters stated herein from my own personal knowledge, except as to any matters that I state upon information and belief, and, as to those matters, I am informed and believe them to be true.
- 2. This declaration is presented to preserve the confidentiality of sensitive materials submitted in Frontier's opening testimony in this proceeding. Confidential material will be supplied in the opening testimony of Mark D. Nielsen. This declaration is designed to comply with Commission General Order ("G.O.") 66-D, Section 3.2 as to the confidential data being supplied by Frontier.
- 3. I am familiar with the confidential information that is being supplied in Mr. Nielsen's opening testimony. These data have been properly marked in accordance with G.O. 66-D, and I hereby attest that these materials have characteristics that make them confidential and justify their protection.
- 4. Pages 39-41 of Mr. Nielsen's opening testimony presents information, which reflects broadband deployment data for Frontier, at specified capability levels for precise numbers of households. Information of this sort is competitively sensitive and confidential and Frontier takes

from not being known to the public, and from not being known to Frontier's current or potential competitors. If disclosed, this information would provide these current competitors and potential competitors with information that could influence operational decisions to better compete with Frontier, such as preparing more precise targeted marketing, redirecting operational resources to areas of higher demand, and adjusting business practices to respond to Frontier's network deployment. Such a result would expose Frontier to unfair competition. The ultimate effects of such unfair competition would be to distort the operation of the competitive market and, ultimately, harm consumers. I am not aware of any countervailing public benefit favoring disclosure that could outweigh these harms.

2. Based on the foregoing, and as explained above, I believe this information is

significant steps to protect it from public disclosure. It derives economic and competitive value

2. Based on the foregoing, and as explained above, I believe this information is properly designated as confidential in connection with the opening testimony of Mark D. Nielsen in this proceeding. *See* Pub. Util. Code § 583; G.O. 66-D, § 3.2(b); Gov. Code §§ 6255, 6254(k), Civil Code § 3426.1(d); Evid. Code § 1060.

Dated this 4th day of August 2020 at Durham, North Carolina.

Allison Ellis,

Senior Vice President

. & Ellis

Frontier Communications Corporation Frontier California Inc. (U-1002-C), Citizens Telecommunications Company of California Inc. (U-1024-C),

Frontier Communications of the Southwest Inc. (U-1026-C),

Frontier Communications Online and Long Distance Inc. (U 7167 C), and Frontier Communications Of America, Inc. (U 5429 C)