



FILED

10/10/25

04:59 PM

A2410006

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

In the Matter of the Joint Application of Verizon Communications Inc., Frontier Communications Parent, Inc., 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. for Approval of the Transfer of Control of Frontier California Inc. (U1002C), Citizens Telecommunications Company of California (U1024C), Frontier Communications of the Southwest Inc. (U1026C), Frontier Communications Online and Long Distance Inc. (U7167C), and Frontier Communications of America, Inc. (U5429C), to Verizon Communications Inc. Pursuant to California Public Utilities Code Section 854.

Application 24-10-006

**OPENING BRIEF
OF THE PUBLIC ADVOCATES OFFICE**

NOAH STID

Attorney

Public Advocates Office
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Telephone: (415)703-1949
E-mail: noah.stid@cpuc.ca.gov

October 10, 2025

TABLE OF CONTENTS

	<u>Page</u>
TABLE OF AUTHORITIES.....	iv
SUMMARY OF RECOMMENDATIONS.....	v
I. INTRODUCTION.....	1
II. COMMENTS ON SETTLEMENT AGREEMENT	1
A. The Agreement Expands Deployment in Low-Income and Disadvantaged Communities in California.	2
B. The Agreement Provides High-Quality Broadband Internet Access for Low-Income Californians at Affordable Rates.	6
C. The Agreement Will Improve or Maintain Service Quality.	8
D. The Agreement Will Increase Collaboration Between Verizon and Local Stakeholders in Closing the Digital Divide.	9
III. RESPONSES TO SCOPING QUESTIONS	9
1. Does the proposed transaction satisfy the requirements of Pub. Util. Code Section 854(a)?	10
2. Does the proposed transaction satisfy the requirements of Pub. Util. Code Section 854(b)?	10
a) Does the proposed transaction provide short- term and long-term economic benefits to ratepayers?.....	10
b) Does the proposed transaction adversely affect competition?	11
3. Does the proposed transaction satisfy the requirements of Pub. Util. Code Section 854(c)?	11
a) Does the proposed transaction maintain or improve the financial condition of the resulting public utility doing business in the state?	11
b) Does the proposed transaction maintain or improve the quality of service to public utility ratepayers in the state?	11
c) Does the proposed transaction maintain or improve the quality of management of the resulting public utility doing business in the state?.....	11

d)	Is the proposed transaction fair and reasonable to affected public utility employees, including both union and nonunion employees?.....	12
e)	Is the proposed transaction fair and reasonable to the majority of all affected public utility shareholders?.....	12
f)	Is the proposed transaction beneficial on an overall basis to state and local economies and the communities in the area served by the resulting public utility?	12
g)	Would the proposed transaction preserve the jurisdiction of the Commission and the capacity of the Commission to effectively regulate and audit public utility operations in the state?	13
h)	Does the proposed transaction provide mitigation measures to prevent significant adverse consequences that may result?	13
4.	What impacts would the proposed transaction have on environmental and social justice communities? Would approval of the transaction affect the achievement of any of the nine goals of the Commission’s Environmental and Social Justice Action Plan?.....	13
5.	How will Frontier maintain its obligations pursuant to prior Commission decisions if the proposed transaction is approved? How should the Commission ensure that these obligations are met? Examples include:	15
a)	Carrier of Last Resort obligations.	15
b)	Lifeline obligations.	15
c)	Frontier’s Right of First Offer (ROFO) obligations pursuant to Decision 21-04-008.	16
d)	Obligations to California tribes pursuant to Decision 21-04-008.	16
6.	What commitments have the Applicants made, including investments in California, as part of this Application?	16
a)	What methods should the Commission use to determine whether the Applicants have met those commitments?.....	16

b)	How are these commitments in the public interest?	17
7.	The Verizon Letter details broad changes that Verizon will make to its DEI practices.	18
a)	Are the commitments detailed in the Verizon Letter consistent with the requirements of Pub. Util. Code Sections 8281-8290.2, with GO 156, and with any other relevant provisions of California law?	18
b)	How should the Verizon Letter commitments impact the Commission’s review of this transaction pursuant to Pub. Util. Code Section 854, including consideration of whether the transaction is in the public interest under Pub. Util. Code Section 854(c)?	18
IV.	CONCLUSION	19

TABLE OF AUTHORITIES

	<u>Page (s)</u>
<u>California Public Utilities Codes</u>	
Section 854	18
Section 854(b).....	10
Section 854(c).....	11, 18
Section 8281	18
Section 8290.2	18
<u>Commission Decisions</u>	
D.21-04-008.....	15
D.24-12-006.....	7
D.25-08-050.....	7
<u>Commission Rules of Practice and Procedure</u>	
Rule 12.2.....	1
Rules 13.2	1

I. INTRODUCTION

Pursuant to Rules 12.2 and 13.12 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure, and the September 18, 2025, *Administrative Law Judge's Ruling Granting in Part the Motion to Modify the Proceeding Schedule and Providing Briefing Instructions to Parties* (Ruling), the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) respectfully submits its combined opening brief and settlement comments in Application (A.) 24-10-006 (Application). Verizon Communications Inc. (Verizon) jointly filed the Application on October 18, 2024, together with Frontier Communications Parent, Inc. (Frontier), Frontier California (U 1002 C), CTC California (U 1024 C), Frontier Southwest (U 1026 C), Frontier LD (U 7167 C), and Frontier America (U 5429 C) (Frontier, collectively with Verizon, the Joint Applicants). The Joint Applicants filed the Application requesting that the Commission authorize the transfer of control of Frontier to Verizon (Proposed Transaction) under Section 854 of the California Public Utilities Code. Cal Advocates timely filed a protest to the Application on November 21, 2024. After conducting discovery, submitting testimony and conducting settlement negotiations, Cal Advocates and Verizon reached a Settlement Agreement pursuant to Rule 12 (Agreement), resolving issues 1 through 6(b) identified in the Assigned Commissioner's Amended Scoping Memo and Ruling, issued May 29, 2025, with the limited exception of diversity, equity and inclusion (DEI) related issues 7(a) and 7(b). Cal Advocates and Verizon filed a joint motion for adoption of the Agreement on September 4, 2025 (Settlement Motion). The Commission should adopt the Agreement to ensure that the public interest benefits of the Proposed Transaction are provided to Californian customers.

II. COMMENTS ON SETTLEMENT AGREEMENT

Pursuant to the Ruling, Cal Advocates provides the following comments on the Agreement. The Agreement between Verizon and Cal Advocates will directly benefit the daily lives of Californian consumers for years to come. Low-income and disadvantaged

communities will particularly benefit from the Agreement. The benefits from the Agreement are briefly summarized below.

A. The Agreement Expands Deployment in Low-Income and Disadvantaged Communities in California.

The Agreement will expand broadband infrastructure and accessibility across California, with specific benefits aimed at low-income and underserved communities. Verizon will deploy fiber broadband internet connections to seventy-five thousand (75,000) unique broadband fabric locations within five years of the close of the Proposed Transaction.¹ These “new fiber-to-the-premises” locations will comprise of upgrades to locations currently served by Frontier’s copper network, or entirely new fiber line connections.² Each of these 75,000 locations where fiber is deployed must be identified as a unique “Broadband Serviceable Location” (BSL) by the Broadband Serviceable Location Fabric (Fabric),³ which is a dataset maintained by the Federal Communications Commission (FCC) listing all locations in the United States and its Territories where fixed broadband internet access service is or could be installed.⁴ Because a single BSL may include multiple premises or apartments, the Agreement requires Verizon to deploy 75,000 new individual fiber passings, which will each constitute at least one separate California household or business.⁵ No fiber passing that was already planned for construction by Frontier will qualify towards the 75,000 requirement, therefore each fiber passing constructed will be a new, merger-specific benefit.⁶ In order to ensure that low-income and disadvantaged communities benefit from this commitment, the Agreement provides that Verizon’s fiber deployment will prioritize census blocks with weighted

¹ Agreement at 3, paragraph (para.) 2.

² Agreement at 3, para. 1.

³ Agreement at 3, para. 2.

⁴ <https://help.bdc.fcc.gov/hc/en-us/articles/5375384069659-What-is-the-Location-Fabric>.

⁵ Agreement at 3, para. 2; Settlement Motion at 3.

⁶ Agreement at 3, para. 2.

household income at or below 90 percent of the applicable county median.⁷ The result is that 75,000 homes and businesses across California that previously did not have a fiber broadband internet connection will be connected within five years.

The benefits of the Agreement's infrastructure deployment commitments will address access issues in low-income and disadvantaged communities. As set forth in Cal Advocates' second supplemental testimony, there is a discrepancy in median income between Frontier service areas that have fiber broadband access and areas that have copper access.⁸ Disadvantaged and low-income communities in Frontier's former service area are less likely to have access to reliable fiber broadband internet.⁹ The Agreement will expand access to fiber broadband in these underserved areas, and directly benefit disadvantaged communities.

Pursuant to the Agreement, Verizon retains ultimate control over where to deploy fiber, though it has agreed to prioritize deployment to areas at or below 90% of the area median income for a household of four.¹⁰ Verizon is likely to deploy in locations with higher overall population density, as these areas tend to be more commercially feasible for fiber deployment.¹¹ Approximately 65% of Frontier copper broadband locations that fall into commercially feasible areas¹² and have a non-zero median household income

⁷ Agreement at 3, para. 2.

⁸ See *Response of the Public Advocates Office to Joint Applicants' Second Supplemental Testimony*, served June 30, 2025, (Cal Advocates' Second Supplemental Testimony), at 9-10.

⁹ Cal Advocates' Second Supplemental Testimony, at 9-10.

¹⁰ Agreement at 4, para. 4.

¹¹ National Telecommunications and Information Administration, Docket No. 200521-0144: Comments of the Fiber Broadband Association at 56-57 (slides numbers 6 and 7), issued June 25, 2020. Available at: https://www.ntia.gov/sites/default/files/publications/fba-06252020_0.pdf, last accessed 10/8/2025.

¹² These are areas that are below the 80th percentile of least-dense places in California, based on population per square mile.

reported by the American Community Survey¹³ are low-income.¹⁴ Based on this data, Cal Advocates anticipates that a minimum of 38,000 low-income households will receive fiber upgrades under the Agreement, and this number may be as high as 69,000.¹⁵

The following table provides a breakdown of low-income and total existing Frontier Copper Broadband locations in commercially feasible areas with a non-zero median household income. As shown in Table 1, there are a significant number of low-income copper broadband locations in the Frontier service territory that are available and commercially feasible for upgrade under the terms of the Agreement.

Table 1: Low-Income Frontier Copper Locations By County

County	Low Income Copper Broadband Locations	Total Copper Broadband Locations
Colusa	327	683
Del Norte	1,264	1,953
Fresno	4,004	9,015
Imperial	630	630
Inyo	1,262	1,563
Kern	2,359	3,340
Kings	157	162
Lassen	1,486	2,538
Los Angeles	14,613	18,867
Marin	289	340
Merced	1,747	2,821
Mono	1,448	3,896
Orange	1,292	1,832
Placer	635	702

¹³ A non-zero value of median household income indicates the presence of residential properties, whereas a zero value may indicate there are too few residential properties to reliably calculate income, or that the area contains only businesses.

¹⁴ See Cal Advocates' Second Supplemental Testimony, at Appendix Exhibits D-9: ETI Table_BDC-MHI.xlsx, and D-10: Frontier Income Disparities Dataset - Analyzed.xlsx; Low-income households, as defined by the CPUC's Environmental and Social Justice Action plan, are households that have median household income below 80% of their associated county median income for a household of four.

¹⁵ See Cal Advocates' Second Supplemental Testimony at Appendix Exhibits D-9: ETI Table_BDC-MHI.xlsx, and D-10: Frontier Income Disparities Dataset - Analyzed.xlsx.; *see also* county income limits as set forth in the 2025 State Income Limits published by the California Department of Housing and Community Development, Division of Housing Policy Development on April 23, 2025, available at: <https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/income-limits-2025.pdf>.

County	Low Income Copper Broadband Locations	Total Copper Broadband Locations
Plumas	740	1,864
Riverside	7,846	13,419
Sacramento	1,903	3,780
San Bernardino	15,479	19,378
San Joaquin	1,074	2,295
San Luis Obispo	159	391
Santa Barbara	3,346	4,754
Santa Clara	1,640	2,980
Siskiyou	598	598
Solano	237	237
Stanislaus	125	987
Tulare	2,954	5,234
Tuolumne	128	276
Ventura	1,268	1,800
Grand Total	69,010	106,335

In addition to 75,000 fiber passings, the Agreement provides that Verizon will construct 250 new 5G-ready wireless macro cell sites, within the former Frontier service area.¹⁶ These cell towers will be equipped to support 5G technology and fixed wireless access (FWA) broadband capabilities, providing high-speed internet access to customers.¹⁷ Each of these 250 towers will be over and above Verizon's 2026 Final Plan of Record, making them a merger specific benefit.¹⁸ Of these 250 new cell sites, at least 85 will be in California Advanced Services Fund (CASF) Infrastructure Account Eligible Locations, as identified by the Commission, and at least 65 sites will be located in Tier 2 or Tier 3 High Fire Threat Districts (HFTDs).¹⁹ The 250 cell towers and the 75,000 fiber connections described above represent a substantial expansion of access to broadband internet for Californians.

¹⁶ Agreement at 2, para. 1.

¹⁷ Agreement at 2, para. 1.

¹⁸ Agreement at 2, para. 1.

¹⁹ Agreement at 2, para. 1.

B. The Agreement Provides High-Quality Broadband Internet Access for Low-Income Californians at Affordable Rates.

The Agreement has substantial affordability provisions for low-income customers. The Agreement provides that within six months of the close of the transaction, Verizon will offer its Verizon Forward discount program to eligible low-income Californians for a period of at least ten years.²⁰ Eligibility for the Verizon Forward discount will be expanded to any Californian with an income up to 200% of the Federal Poverty Guideline, or any Californian who qualifies as a participant in a broad range of existing programs.²¹ The Agreement also requires that Verizon offer at least one FWA and one Fios broadband plan to Californian consumers that are eligible for the Verizon forward discount at a final price of \$20.²² The result of these terms of the Agreement are that qualifying low-income Californians will have access to a 300/300 Mbps fiber broadband plan, or a 100/20 Mbps FWA plan, for a final price of \$20 per month, or the lowest price offered in any U.S. state.²³

In addition to the Verizon Forward discount and \$20 broadband products, the Agreement provides for the application of subsidies that will further reduce costs for low-income consumers. The California Universal Telephone Service Program (California Lifeline) provides discounts on home phone and wireless services to qualified

²⁰ Agreement at 7, para. 16.

²¹ The Agreement provides that Verizon will make Verizon Forward available to any Californian with an income up to 200% of the Federal Poverty Guideline, or alternatively, is a participant in any of the following programs: federal Lifeline, California LifeLine, Medi-Cal/Medicaid; CalFresh/ Food Stamps/ Supplemental Nutrition Assistance Program (SNAP); Tribal TANF; Bureau of Indian Affairs General Assistance; Tribal Head Start; Low Income Home Energy Assistance Program (LIHEAP); Supplemental Security Income (SSI); Federal Public Housing Assistance/ Section 8; Women, Infants and Children Program (WIC); National School Lunch Program (NSL); Temporary Assistance for Needy Families (TANF); California Work Opportunity and Responsibility to Kids (CalWORKs); Stanislaus County Work Opportunity and Responsibility to Kids (StanWORKs); Welfare-to-Work (WTW); Greater Avenues for Independence (GAIN); Food Distribution Program on Indian Reservations; Federal Veterans and Survivors Pension Benefit Program; Pell Grants; income up to 200% of the Federal Poverty Guideline. Agreement at para. 20.

²² Agreement at 7, para. 16.

²³ Agreement at 7, para. 16.

households, and offers service providers a subsidy reimbursement currently set at \$19²⁴ for their voluntary participation in the Program.²⁵ The Agreement makes participation in California Lifeline mandatory for Verizon, and requires Verizon to allow eligible Verizon Forward voice and bundled voice and fiber broadband customers to apply the \$19 California state Lifeline subsidy to their monthly bill.²⁶

The Agreement also requires that Verizon participate in the California Lifeline Home Broadband Pilot program, which provides a fixed broadband monthly subsidy of \$20.00, or a bundle of fixed broadband and voice service subsidy of \$30.00.²⁷ Because the Agreement requires Verizon to offer a standalone broadband product for a final discounted price of \$20,²⁸ the Agreement creates a free broadband product for qualifying low-income Californians through application of the Home Broadband Pilot subsidy. Verizon must offer the Verizon Forward discount to a Fios and FWA plan resulting in a \$20 price point while participating in broadband subsidies from California Lifeline for a period of ten years, and accept California Lifeline subsidies for voice for a period of at least five years.²⁹ Verizon will also spend \$300,000 per year on advertising, for five years, for a total of \$1.5 million, to make Californians aware of these benefits.³⁰ The affordability terms described above represent a significant benefit to low-income Californians, providing a nation-leading affordable broadband service program for California.

²⁴ D.24-12-006, *Decision Freezing Specific Support Amount*, December 12, 2024, at page 16, ordering paragraph (OP) 1; issued in Rulemaking (R.) 20-02-008; *see also* https://www.californialifeline.com/en/discounts_comparison.

²⁵ D.25-08-050, *Decision Approving Home Broadband Pilot*, September 4, 2025, at 2; issued in Rulemaking (R.) 20-02-008 .

²⁶ Agreement at 9, para. 21.

²⁷ D.25-08-050 at 53, OP 3.

²⁸ Agreement at 7-8, para. 17.

²⁹ Agreement at 7-9, paras. 16-20.

³⁰ Agreement at 9-10, para. 24.

C. The Agreement Will Improve or Maintain Service Quality.

The Agreement presents a framework to ensure that Verizon's acquisition of Frontier will maintain and improve quality of service for customers. Within 12 months of the close of the Transaction, Verizon will perform a comprehensive audit of Frontier's network and operations, including a review of Frontier's fiber and copper networks.³¹ The audit findings will be presented to the intervenors in A.24-10-006.³² Following the audit, and within a year of the closing date of the transaction, Verizon will bring Frontier's former facilities up to Verizon's standards and the Commission's wireline service quality standards pursuant to General Order 133-D.³³ Through the Agreement, Verizon commits that it will maintain adequate personnel to ensure that it will offer safe and reliable service in compliance with all applicable service quality standards.³⁴ Perhaps most significantly, adding 75,000 fiber lines will improve overall service quality due to fiber optic infrastructure's superior performance.³⁵

Finally, the Agreement requires Verizon to maintain and repair Frontier's copper network to a standard that is capable of consistently providing reliable voice service for as long as those facilities provide Commission-regulated service to customers.³⁶ These terms represent a guarantee of service quality that addresses Cal Advocates' concerns with service quality raised in its testimony.³⁷

³¹ Agreement at 7, para. 13.

³² Agreement at 7, para. 14.

³³ Agreement at 7, para. 14.

³⁴ Agreement at 7, para. 14.

³⁵ See *Cal Advocates Corrected Errata Testimony of Darren Blackburn on Voice Service Quality*, Served September 10, 2025, at Executive Summary and Sections III, IV, and V; see also *Cal Advocates Errata Testimony of Alejandra Martinez on Broadband Service Quality*, served July 18, 2025, at Executive Summary and Sections B2, B4, C1, C2, and D1.

³⁶ Agreement at 7, para. 14.

³⁷ See generally *Cal Advocates Corrected Errata Testimony of Darren Blackburn on Voice Service Quality*, Served September 10, 2025; see also *Cal Advocates Errata Testimony of Alejandra Martinez on Broadband Service Quality*, served July 18, 2025.

D. The Agreement Will Increase Collaboration Between Verizon and Local Stakeholders in Closing the Digital Divide.

In addition to the above-mentioned fiber and cellular infrastructure deployments, the Agreement provides that Verizon will collaborate with stakeholders in regional broadband consortia, local governments and tribal communities to plan deployment.³⁸ Under the terms of the Agreement, Verizon will be available to meet with tribes and the Commission's Tribal Liaison regarding right-of-way, middle mile access, pole attachment, and undergrounding issues and the costs associated with those efforts.³⁹ Moreover, Verizon will meet with non-tribal Broadband Equity Access and Deployment Program (BEAD) or Federal Funding Account (FFA) grant applicants located in Frontier areas and take commercially reasonable efforts to respond to their requests for information regarding Frontier's rights-of-way arrangements and Frontier-owned poles and conduit in the project area, as well as ensuring the rates required under applicable rules are applied equitably.⁴⁰ These conditions will make it easier and cheaper for tribes and local governments to build their own fiber infrastructure and connect with Verizon's, which will ensure that tribes have the opportunity to participate in fiber infrastructure projects that affect them.

III. RESPONSES TO SCOPING QUESTIONS

Consistent with the Ruling, Cal Advocates responds separately to each issue identified in the *Assigned Commissioner's Amended Scoping Memo and Ruling*, issued May 29, 2025.

³⁸ Agreement at 5-7, paras. 6-10, 12.

³⁹ Agreement at 6, para.8.

⁴⁰ Agreement at 6, para. 9.

1. Does the proposed transaction satisfy the requirements of Pub. Util. Code Section 854(a)?

The Agreement that Cal Advocates and Verizon have put forward to resolve the issues in this proceeding is in the public interest, and the Commission should adopt the Agreement. Under the terms of the Agreement, low-income consumers will gain access to Verizon's discounted Verizon Forward plan for \$20 and be able to apply California Lifeline subsidies to further reduce the cost of broadband and voice services.⁴¹ The Agreement will also result in the deployment of 75,000 new fiber passings to homes and businesses in California, as well as 250 new macro cell sites.⁴² These infrastructure investments will expand broadband availability in California, and have an outsized impact in low-income and disadvantaged communities. The Agreement also contains strong commitments to maintain reliable quality of service across Verizon's existing networks, while improving Frontier's networks and delivering ongoing service improvements.⁴³ For all of these reasons, and the other benefits of the Agreement summarized above in Section II, the Agreement promotes sufficient public interest benefits that, taken together, make the Proposed Transaction in the public interest.

2. Does the proposed transaction satisfy the requirements of Pub. Util. Code Section 854(b)?

a) Does the proposed transaction provide short-term and long-term economic benefits to ratepayers?

Yes, the Proposed Transaction will result in short-term and long-term economic benefits to ratepayers through the adoption of the Agreement. For a summary of short-term and long-term economic benefits that will result from the Agreement, please see Section II and Section III.1 above.

⁴¹ See Section II.B, *Supra*; Agreement at 7-9, paras. 16-21.

⁴² See Section II.A, *Supra*; Agreement at 2-3, paras. 1-2.

⁴³ See Section II.C, *Supra*; Agreement at 5-7, paras. 6-10, 13-15.

b) Does the proposed transaction adversely affect competition?

Cal Advocates has no response to this question.

3. Does the proposed transaction satisfy the requirements of Pub. Util. Code Section 854(c)?

Yes. The Proposed Transaction will result in substantial benefits to ratepayers through the adoption of the Agreement. These benefits will satisfy the requirements of Section 854(c). For a summary of benefits that will result from the Agreement, please see Section II and Section III.1 above.

a) Does the proposed transaction maintain or improve the financial condition of the resulting public utility doing business in the state?

Cal Advocates has no response to this question.

b) Does the proposed transaction maintain or improve the quality of service to public utility ratepayers in the state?

Yes. The Agreement includes provisions that will maintain or improve service quality, as summarized above in Section II.C.⁴⁴ If the Commission adopts the Agreement, the Proposed Transaction will produce these benefits for Californians. Cal Advocates describes improvements to service quality and broadband access in Section II.A through II.C above.

c) Does the proposed transaction maintain or improve the quality of management of the resulting public utility doing business in the state?

⁴⁴ See Section II.C, *Supra*; Agreement at 7, paras. 13-15.

Cal Advocates has no response to this question.

d) Is the proposed transaction fair and reasonable to affected public utility employees, including both union and nonunion employees?

Yes. If the Commission adopts the Agreement, the Proposed Transaction will be fair and reasonable to affected public utility employees. The Agreement requires Verizon to maintain adequate personnel to ensure that it will offer safe and reliable service in compliance with all applicable service quality standards. Moreover, Cal Advocates understands that the Communications Workers of America (CWA) and Verizon also reached a settlement, filed in this proceeding on September 4, 2025.⁴⁵

e) Is the proposed transaction fair and reasonable to the majority of all affected public utility shareholders?

Cal Advocates has no response to this question.

f) Is the proposed transaction beneficial on an overall basis to state and local economies and the communities in the area served by the resulting public utility?

Yes. The Proposed Transaction is beneficial to local economies and communities if the terms of the Agreement are adopted. As summarized more fully above in Section II.A, the Agreement provides for the construction of 75,000 fiber locations and 250 5G cell towers in Frontier's former service area, with priority given to low-income areas.⁴⁶ Moreover, the Agreement requires Verizon to offer low-income voice and broadband plans at highly affordable price-points and accept Lifeline subsidies to further reduce the cost of those plans.⁴⁷ Finally, the Agreement provides a framework for cooperation on

⁴⁵ A.24-10-006, *Joint Motion of Verizon and the Communications Workers of America, District 9 for Adoption of Settlement Agreement*, Attachment 1 (Sept. 4, 2025).

⁴⁶ Agreement at 2-3, paras. 1-2, 4.

⁴⁷ Agreement at 7-9, paras. 16-21.

future infrastructure projects between Verizon, tribes and local governments.⁴⁸ These conditions of approval are sufficient to justify the Proposed Transaction and ensure benefits to local communities and economies in Frontier’s former service area.

g) Would the proposed transaction preserve the jurisdiction of the Commission and the capacity of the Commission to effectively regulate and audit public utility operations in the state?

Yes. Adopting the Agreement as a condition of approval for the Proposed Transaction would preserve the Commission’s jurisdiction and provide benefits to public utility customers and their communities. The Agreement requires Verizon to honor valid and binding agreements to which Frontier is a party for as long as they remain valid, including prior Commission decisions and Frontier’s commitments to the Commission.⁴⁹

h) Does the proposed transaction provide mitigation measures to prevent significant adverse consequences that may result?

Yes. The Agreement summarized above in Section II provides for substantial public benefits that will mitigate potential unexpected adverse consequences that may result from the Proposed Transaction.

4. What impacts would the proposed transaction have on environmental and social justice communities? Would approval of the transaction affect the achievement of any of the nine goals of the Commission’s Environmental and Social Justice Action Plan?

Cal Advocates incorporates its response to Questions 1-3 and its summary of the benefits of the Agreement in Section II. The Agreement would directly promote Goals 3 (“Strive To Improve Access to High Quality Water, Communications and Transportation Services for ESJ Communities”) and 3.4 (“Extend Essential Communications Services to

⁴⁸ Agreement at 5-6, paras. 6-10.

⁴⁹ Agreement at 6, para. 12.

ESJ Communities”) of the Commission’s Environmental and Social Justice Action Plan.⁵⁰ The affordability benefits set forth above in Sections II.A and II.B represent substantial investments in “access to essential communications services at affordable rates.” As described above, the fiber deployment and affordability terms in the Agreement summarized in Sections II.A and II.B will directly benefit ESJ Communities.⁵¹ Therefore, the Agreement is consistent with the Commission’s Environmental and Social Justice (ESJ) Action Plan.

As one example of a benefit to ESJ Communities, the Agreement will provide several options for reliable, high-speed broadband internet to low-income Californians at \$20, or at the lowest prices available to any of Verizon’s customers in the United States.⁵² By prioritizing fiber build to locations in census blocks with weighted household income at or below 90 percent of the applicable county median, the Agreement also provides for increased fiber deployment in ESJ Communities.⁵³ As another example, at least 85 of the 250 new cell sites that Verizon agrees to deploy under the Agreement will be located in unserved and underserved areas designated as CASF-eligible by the Commission and at least 20 of the 85 will be located in RBC “high priority areas.”⁵⁴ Further, Verizon has made a \$1.5 million commitment to market Verizon Forward and other affordable

⁵⁰ The Commission’s Environmental & Social Justice Action Plan, Version 2.0, April 7, 2022, available at: (<chrome-extension://efaidnbmninnibpcapjpcglclefindmkaj/https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/key-issues/esj/esj-action-plan-v2jw.pdf>).

⁵¹ The Commission’s Environmental & Social Justice Action Plan, Version 2.0, defines ESJ Communities as “as predominantly communities of color or low-income communities that are underrepresented in the policy setting or decision-making process, subject to a disproportionate impact from one or more environmental hazards, and are likely to experience disparate implementation of environmental regulations and socioeconomic investments in their communities.” Consistent with this definition of ESJ Community, the Commission seeks to target “Disadvantaged Communities, defined as census tracts that score in the top 25% of CalEnviroScreen 3.0, along with those that score within the highest 5% of CalEnviroScreen 3.0’s Pollution Burden but do not receive an overall CalEnviroScreen score,” “All Tribal lands,” “Low-income households,” defined as “Household incomes below 80 percent of the area median income,” and “Low-income census tracts,” defined as “Census tracts where aggregated household incomes are less than 80 percent of area or state median income).”

⁵² See Section II.B, *supra*; Agreement at 7-9, paras. 16-20.

⁵³ Agreement at 4, para. 4.

⁵⁴ Agreement at 2, para. 1.

offerings in California over five years, and has pledged \$5 billion to support small businesses nationwide through its Small Business Supplier Accelerator and Small Business Digital Ready programs. Pursuant to the settlement agreement between Verizon and CETF, Verizon committed that at least \$500 million of those funds will support California small businesses.⁵⁵ These benefits will provide affordable broadband and increase access to high-speed internet in low-income communities.

5. How will Frontier maintain its obligations pursuant to prior Commission decisions if the proposed transaction is approved? How should the Commission ensure that these obligations are met? Examples include:

Verizon will assume Frontier’s prior commitments and obligations under the relevant Commission decisions and General Orders. The Agreement provides that “Verizon will honor valid and binding agreements to which Frontier is a party for as long as they remain valid, including but not limited to Frontier’s commitments related to the Right of First Offer from Decision 21-04-008 (issued April 20, 2021), Ordering Paragraph 4(g).”⁵⁶ This provision will ensure Verizon’s compliance with previous Commission decisions and contractual obligations, including D.21-04-008. The Commission should adopt the Agreement, and enforce it through future Commission proceedings, if necessary.

a) Carrier of Last Resort obligations.

Cal Advocates’ response to Question 5(a) is the same as Cal Advocates’ response to Question 5 above.

b) Lifeline obligations.

Cal Advocates’ response to Question 5(b) is the same as Cal Advocates’ response to Question 5 above.

⁵⁵ Settlement Motion at 18; A.24-10-006, *Joint Motion of Verizon and CETF for Adoption of Settlement Agreement*, Attachment 1 (Sept. 4, 2025).

⁵⁶ Agreement at 6-7, para. 12.

c) Frontier's Right of First Offer (ROFO) obligations pursuant to Decision 21-04-008.

Cal Advocates' response to Question 5(c) is the same as Cal Advocates' response to Question 5 above.

d) Obligations to California tribes pursuant to Decision 21-04-008.

Cal Advocates' response to Question 5(c) is the same as Cal Advocates' response to Question 5 above.

6. What commitments have the Applicants made, including investments in California, as part of this Application?

The Agreement represents substantial commitments from Verizon to invest in California. As a response to this Question, Cal Advocates incorporates Section II above, which provides a summary of the investments and commitments made by Verizon in the Agreement.

a) What methods should the Commission use to determine whether the Applicants have met those commitments?

The Commission should use the oversight and enforcement provisions of the Agreement to determine that Joint Applicants have met their commitments. The Agreement includes a requirement that Verizon obtain a \$150 million dollar enforcement bond as collateral for Verizon's performance of the terms of the Agreement, with the Commission listed as the obligee.⁵⁷ Verizon must also file and serve an annual report detailing its progress in meeting the infrastructure deployment requirements.⁵⁸ Verizon must file a Tier 2 advice letter to obtain any reduction in the bond.⁵⁹

⁵⁷ Agreement at 3-4, para. 3.

⁵⁸ Agreement at 3-4, para. 3.

⁵⁹ Agreement at 3-4, para. 3.

The Agreement also contains robust reporting obligations. The Agreement requires Verizon to provide annual reports to the Commission and intervenors in this Proceeding regarding the current number of federal Lifeline and state Lifeline customers in California; the current number of California Verizon Forward customers; and an overview of advertising and marketing efforts undertaken to make California customers aware of federal Lifeline, state Lifeline, and Verizon Forward offerings.⁶⁰ Verizon's annual report must include an evaluation of how Verizon plans to increase the number of California participants in Verizon Forward, California Lifeline, and federal Lifeline.⁶¹ In the event that a new federal or state subsidy program is created to make phone and or Internet service more affordable for low-income consumers, the above reporting requirements will be applicable to those programs as well.⁶² At the semi-annual meetings between Verizon and intervenors described in paragraphs 6 and 7 of the Agreement, Verizon agrees to discuss these reports and consider recommendations and input on how to increase access to affordability programs.⁶³ The Commission can use these reports to evaluate progress and compliance with commitments. Moreover, the Commission will continue to enforce the applicable General Orders and Commission decisions on the post-merger entity.

b) How are these commitments in the public interest?

Cal Advocates response to this Question is the same as Cal Advocates' response to Questions 1 through 4 above. Cal Advocates also incorporates Section II above for its summary of the benefits provided for in the Agreement and why they are in the public interest.

⁶⁰ Agreement at 5-6, 10, paras. 6, 7 and 25.

⁶¹ Agreement at 5-6, 10, paras. 6, 7 and 25.

⁶² Agreement at 10, para. 25.

⁶³ Agreement at 5-6, paras. 6-7.

7. The Verizon Letter details broad changes that Verizon will make to its DEI practices.

- a) Are the commitments detailed in the Verizon Letter consistent with the requirements of Pub. Util. Code Sections 8281-8290.2, with GO 156, and with any other relevant provisions of California law?**

Cal Advocates has no response to this question.

- b) How should the Verizon Letter commitments impact the Commission's review of this transaction pursuant to Pub. Util. Code Section 854, including consideration of whether the transaction is in the public interest under Pub. Util. Code Section 854(c)?**

Cal Advocates raised concerns in its Second Supplemental Testimony that the Verizon Letter warranted the Commission's scrutiny and necessitated the imposition of meaningful conditions of approval to promote equity and access to affordable broadband services.⁶⁴ Cal Advocates' testimony emphasized that it is the policy of the State of California to strengthen and maintain the overall economic well-being of the state by aiding women, minority, disabled veteran, and LGBT business enterprises that have faced historic disadvantages, and that this policy is implemented by the Commission through GO 156.⁶⁵ Cal Advocates further noted that income disparities in the deployment of fiber and copper broadband infrastructure in Frontier service areas indicated the need for strong conditions of approval to ensure equitable access to fiber broadband.⁶⁶ Cal Advocates maintains its position set forth in its testimony and summarized briefly above. The Agreement does not include DEI related issues, specifically issues 7(a) and 7(b) identified in the May 29, 2025, Assigned Commissioner's Amended Scoping Memo and

⁶⁴ Cal Advocates' Second Supplemental Testimony, at 2-3.

⁶⁵ Cal Advocates' Second Supplemental Testimony, at 4-5.

⁶⁶ Cal Advocates' Second Supplemental Testimony, at 7-9.

Ruling.⁶⁷ In addition to the adoption of the Agreement, the Commission should consider the testimony and arguments of other intervening parties on DEI issues and any conditions of approval that are deemed necessary to ensure that Verizon fully complies with California's policies that promote a vibrant, diverse, equitable and inclusive economy.

Through negotiation, Cal Advocates obtained Verizon's commitment to provide a suite of deployment, affordability and collaboration benefits to Californians as conditions of approval of the Proposed Transaction. Cal Advocates incorporates its summary of these benefits in Section II, as well as its responses to Questions 1 through 6 above, which demonstrate that the Agreement promotes equity and access to broadband for low-income and disadvantaged communities in California. These benefits will expand broadband access, and make services more affordable for exactly the communities that the Commission's ESJ Action Plan is designed to serve. Moreover, the Agreement promotes equity by focusing the resulting benefits on disadvantaged and low-income communities that need and deserve support in expanding their access to broadband. Thus, through adoption of the Agreement as conditions of approval for the Proposed Transaction, the Commission can support marginalized communities and by directly addressing harms that the DEI movement is predicated on remediating and defending against.

IV. CONCLUSION

The Agreement represents substantial benefits to Californian consumers in the form of broadband infrastructure build out and affordable broadband access, as well as myriad other terms that promote access to broadband and further the Commission's goals. These benefits are enforceable through a \$150 million dollar performance bond, and subject to the Commission's enforcement authority. Taken as a whole, the benefits presented in the Agreement are sufficient to promote the public interest through approval

⁶⁷ Agreement at 1-2; Settlement Motion at 1, 3, 9, 11, 17.

of the Proposed Transaction. Therefore, the Commission should adopt the Agreement as a condition of approval for the Proposed Transaction.

Respectfully submitted,

/s/ *NOAH STID*

NOAH STID

Attorney

Public Advocates Office
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Telephone: 415-703-1949
E-mail: noah.stid@cpuc.ca.gov

October 10, 2025