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**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. (U 1002 C), Citizens Telecommunications Company of California (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), to Verizon Communications Inc. Pursuant to California Public Utilities Code Section 854	A. 24-10-006

JOINT APPLICANTS' POST-HEARING REPLY BRIEF AND REPLY COMMENTS ADDRESSING SETTLEMENT AGREEMENTS

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I. EXECUTIVE SUMMARY

This Transaction[1] will combine Verizon's financial strength and award-winning service with the negotiated settlements, providing overwhelming net public benefits to California that more than satisfy Public Utilities Code Section 854. Highly sophisticated parties with deep connections to California communities, the Public Advocates Office ("Cal Advocates"), the California Emerging Technology Fund ("CETF"), and the Communications Workers of America, District 9 ("CWA") negotiated comprehensive terms that strike the right balance. The settlements deliver concrete, verifiable, and enforceable commitments, including advanced infrastructure deployment backed by a performance bond, long-duration affordability programs with first-of-their kind broadband benefits, rigorous service quality assurances and improvements, workforce stability, community and small-business economic development, digital inclusion funding, and continuity of regulatory obligations. Nothing in the opening briefs effectively challenges or discounts the benefits of this Transaction or the conclusion that this Transaction should be approved without delay. The Joint Applicants must ***close*** the Transaction no later than February 13, 2026, and this date is not extendable; that means Commission approval should occur by December to accommodate any last-minute procedural issues that may arise. If they do not close, their federal antitrust approval will expire.[2] This would put the Transaction and its public interest benefits at risk.[3]

This Transaction is a pivotal opportunity for California, but the overreaching positions advanced by the two parties opposing it through briefs—The Utility Reform Network ("TURN") and the Center for Accessible Technology ("CforAT") (together "Opponents")—would jeopardize that opportunity. The Commission faces divergent paths—a path of progress where Verizon's financial strength, together with its extensive commitments, delivers immediate and enforceable benefits and financial stability for Frontier and its critical California networks, or a path of stagnation where a debt-laden Frontier, admittedly "reaching the end of its capacity to continue aggressively investing" in California,[4] is forced

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[1] The "Transaction" refers to the proposed acquisition by Verizon Communications Inc. ("Verizon") of Frontier Communications Parent, Inc. ("Frontier Parent") together with its wholly-owned California subsidiaries (together, "Frontier," and with Verizon, the "Joint Applicants").

[2] Joint Applicants made their final Hart Scott Rodino ("HSR") filing with the Department of Justice ("DOJ") on January 15, 2025. DOJ elected not to issue a Second Request. The earliest date Joint Applicants could have closed was February 14, 2025, at the end of the thirty-day HSR waiting period. *See* 15 U.S.C. § 18a(b)(1)(B). Transacting parties have one year to close "following the expiration of the waiting period." *See* 16 CFR § 803.7(a). There is no provision for an extension. The one-year period expires on Saturday, February 14, 2026.

[3] There are several steps to close the Transaction following approval that require sufficient lead time. *See* Joint Applicants' Reply in Support of Motion to Modify the Procedural Schedule, A.24-10-006 at 7-8 (Sept. 12, 2025); *see also* Joint Applicants' Motion to Modify the Procedural Schedule, A.24-10-006 at 2 (Sept. 5, 2025).

[4] Exh. JA 3 (Ellis Rebuttal Testimony Errata) at 3; *see also* CETF Br. at 20-22 (summarizing extensive record

to try to maintain the *status quo*.

TURN and CforAT—outliers among numerous parties that support this Transaction—offer only speculation in place of solutions, ignoring the financial challenges facing Frontier and the impact on its customers without this Transaction. Their unreasonable demands (including excessive proposed conditions designed to kill this Transaction) risk chilling investment and discouraging stakeholder settlements, while they fail to identify any concrete, Transaction-caused harms to be mitigated. The choice is not between the current settlements and their verifiable benefits versus some hypothetical, larger package of deal-threatening conditions TURN and CforAT propose. It is between immediate, enforceable benefits now, versus the real prospect of consumer harm and diminished investment and service if the Commission rejects the Transaction or encumbers it with excessive and unworkable terms.

All other parties actively involved throughout the proceeding support approval of the Transaction and settlements, which "will directly benefit the daily lives of California consumers for years to come."[5] CETF "finds this collective set of voluntary merger commitments by Verizon robust with a broad set of public benefits that will benefit all consumers."[6] CWA states "[t]he Transaction will result in Verizon acquiring greater control of critical network infrastructure in California to the benefit of California consumers."[7] The Santa Ynez Band of Chumash Indians (the "Chumash Tribe") urges approval.[8] And numerous other entities have submitted letters in support of the Transaction.[9] The record establishes an overwhelming net public benefit and the Commission should approve the Transaction promptly without additional conditions beyond the settlements and Verizon's additional voluntary commitments.

II. THE PROPOSED TRANSACTION AND SETTLEMENTS SATISFY THE LEGAL STANDARD AND ENJOY WIDE SUPPORT

A. <u>Opponents Mischaracterize the Applicable Legal Standard</u>

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evidence showing that Verizon is a "well-resourced corporation" and "well positioned to relieve the Frontier financial issue.").

5 Cal Adv. Br. at 1.

6 CETF Br. at 2.

7 CWA Br. at 2.

8 Chumash Br. at 2. On October 30, 2025, ALJ Fox sent an email ruling to the service list for A.24-10-006 "acknowledg[ing] the receipt of the opening brief by the Santa Ynez Band of Chumash Indians (Chumash Tribe) and requir[ing] the Chumash Tribe to re-file the opening brief as a settlement agreement, pursuant to Rule 12.1, by written motion."

9 The following parties have served letters to the service list for A.24-10-006 in support of the Transaction, as-of October 31, 2025: American GI Forum Education Foundation of Santa Maria, CA; Broadband Consortium Pacific Coast; California-Hawaii State Conference of the NAACP; Computers4Kids; digitalLIFT; Economic Development Collaborative; Inland Empire Economic Partnership; National Disability Institute; Newstart Housing Corporation; North Bay/North Coast Broadband Consortium; Regenerate California Innovation, Inc.; Rural Communities Rising; San Joaquin Valley Regional Broadband Consortium; Sourcewise; TELACU; World Institute on Disability; and Yolo County Children's Alliance.

Joint Applicants demonstrated in their opening brief that this Transaction, together with the settlement commitments, more than satisfies Section 854's approval requirements.[10] Most other parties agree.[11] Once applicants have established that Sections 854(b) and (c) are satisfied, as Joint Applicants have done here, the inquiry is over. There is no basis to impose TURN and CforAT's extensive list of additional conditions, many of which involve broader regulatory issues unrelated to this Transaction, and none of which are necessary to mitigate actual, evidence-based harms from this Transaction, as the record shows that no such harms are present.

TURN and CforAT would convert an evidence-based, balanced consideration of net benefits under Section 854 into a search for open-ended conditions untethered to any transaction-specific harms. But the Commission has confirmed that conditions are not appropriate unless they are required to mitigate actual harms.[12] TURN's articulation of its "public interest" legal standard does not recognize the required balancing and presumes that there is no net public benefit unless all of TURN demands are met.[13] But since the Transaction with the existing settlements already provides a net benefit, there is no basis for the Commission to accept the invitation from TURN and CforAT to pile on public policy goals raising broader, industry-wide issues.

B. Opponents Promote Their Own Agendas at the Expense of Broader Benefits to Californians

TURN and CforAT would sacrifice the best interests of Californians to promote their own policy agendas. Disapproving the Transaction is not the best outcome for Californians, particularly given the unrebutted evidence that, without it, Frontier will be left without funding for future network build outs and will likely have to increase rates,[14] while the settlement commitments would disappear. CforAT's apparent objective is to block the Transaction,[15] and its efforts to obstruct and delay this proceeding go so far as to oppose voluntary commitments Verizon offered to advance the public interest, including a $10 million program administered by Cal State University to promote workforce development in the

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[10] Joint Applicants' Br. at § IV.
[11] Cal Adv. Br. at 10-11; CETF Br. at 2; CWA Br. at 9.
[12] D.05-11-029 at 102 (conditions proposed by TURN and other parties had "little merit" given the lack of "adverse consequences" resulting from the transaction); *see also* D.09-10-056 at 18 ("Because the transaction will result in no adverse consequences to customers, employees, shareholders, or the public in California, no mitigation measures are needed.").
[13] TURN opposes the "not adverse to public interest" standard under Section 854(a), but this argument is a red herring since "not adverse" is the well-settled standard under Section 854(a). TURN Br. at 2. This is not the only standard at issue in this case since the additional balancing of net benefits versus any merger harms also comes into play where Sections 854(b) and/or 854(c) are triggered.
[14] Exh. JA 3 (Ellis Rebuttal Testimony Errata) at 16-17.
[15] *See* CforAT Br. at 2, 39-40 ("[T]he Commission should deny the Application.").

very communities CforAT claims to support.[16] CforAT offers no constructive and lawful proposals to advance the interests of California communities in light of the changing federal regulatory and policy landscape. Rather, the conditions it advocates—including urging the Commission to order Verizon to defy directives from the FCC[17]—are designed to kill the Transaction. CforAT uses this Transaction to express its philosophical disagreement with the FCC and the federal administration on Diversity, Equity, and Inclusion ("DEI"). But rejecting the application will not change the broader regulatory and political climate, or the fact that Verizon and Frontier will continue to be subject to the FCC's regulatory oversight and restrictions regardless of the outcome. Instead, it would leave California without Verizon's robust commitments to small businesses and digital inclusion, and a financially-strapped Frontier without resources for similar outreach.

TURN similarly disregards the consequences of its arguments. TURN's "mitigation measures" are so burdensome and unreasonable that collectively they would risk killing the deal and depriving California citizens of any benefits from this Transaction. A primary example is TURN's fiber-build demand, a multi-billion-dollar "poison pill," to use TURN's terminology. As discussed below, TURN misrepresents the evidentiary record by arguing Frontier is actively poised to spend billions on a fiber build that the Verizon settlements are "halting or slowing,"[18] ignoring Frontier's unrebutted testimony that it "has no plans for additional deployment in California" and that the so-called build plan TURN relies upon is invalid and vastly overstated.[19] TURN also fails to consider the Frontier testimony that it has borrowed billions of dollars to deploy the fiber network it has in place and has limited or no capacity to take on additional debt to finance additional fiber deployment. The Commission's choice is not between an idealized world where Frontier would build fiber to hundreds of thousands of locations regardless of the costs, versus Verizon's settlement commitments; it is between Verizon's robust, certain, and enforceable infrastructure commitments versus no material additional deployment from Frontier alone.

The settling parties worked diligently with Joint Applicants to craft a robust set of settlement commitments that ensure benefits for California and provide enforceable commitments and a firm basis for approval of this Transaction. TURN and CforAT ignore and mischaracterize the significant benefits from the settlements to promote their own industry-wide policy agendas unrelated to this proceeding.

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[16] *See* CforAT Motion to Strike a Portion of the Applicants' Brief and the Late-Filed Brief of the Chumash Tribe, A.24-10-006 (Oct. 15, 2025).
[17] *See* CforAT Br. at 33-34.
[18] TURN Br. at 25.
[19] Exh. JA 3 (Ellis Rebuttal Testimony Errata) at 15-16.

C. <u>Opponents Invent Nonexistent "Harms" Based on Speculation and Rhetoric</u>

The cornerstone of TURN and CforAT's demand for additional conditions is their claim that the Transaction will produce "public interest harms" and "significant adverse consequences" that justify the imposition of more conditions.[20] But neither party identifies any specific harms, and their statements lack any underlying substance.

TURN and CforAT's alleged "harms" boil down to unfounded speculation that Verizon cannot be trusted to abide by its settlements. But this false "bad actor" narrative has no basis in fact. The record clearly shows Verizon, through its past actions and current commitments in California, to be a *good actor* and a willing partner seeking to invest in California's infrastructure and serve its communities through this Transaction and its settlement commitments. TURN and CforAT ignore those facts and concoct a revisionist history of non-compliance and a present intent to evade responsibilities.

First, CforAT and TURN accuse Verizon of a "history" of deliberately flouting Commission requirements and actively seeking "loopholes" to shirk its responsibilities.[21] This alleged "history" is contrary to the extraordinary investments Verizon has made to ensure compliance with Commission requirements and rests on a single event—the situation regarding Ordering Paragraph 8 of the order approving Verizon's acquisition of TracFone.[22] This was not an example of non-compliance; it was a textbook case of respectfully following established Commission processes to raise an issue with a condition that would have unnecessarily disconnected service for some TracFone customers. Verizon did not "defy"[23] the Commission, but rather proactively engaged with the Commission and its staff to explain the challenges and collaboratively find an alternative path forward that avoided disconnecting TracFone customers while achieving the Commission's underlying goals. This engagement led to the Commission's adoption of Resolution T-17849, which recognized that "Verizon and TracFone have worked with staff since the merger to comply with the customer migration in OP 8," that "[t]he companies have shown consistent efforts to comply with OP 8," and that "[a]s the companies encountered compliance challenges, they communicated with staff and further developed efforts."[24] It is

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[20] CforAT Br. at 2; TURN Br. at 4

[21] CforAT Br. at 7; *see also* TURN Br. at 28.

[22] TURN Br. at 28; CforAT Br. at 21-22.

[23] CforAT Br. at 39.

[24] Resolution T-17849 at 6 (Nov. 7, 2024). Verizon entered into a settlement with CforAT and TURN to care for TracFone's post-acquisition subscribers the same as the pre-acquisition subscribers under OP 8 so that TracFone will continue to serve post-acquisition customers who choose not to migrate to the Verizon network or third-party networks until at least December 31, 2025, to provide notices to customers and CforAT and TURN, and to provide any required SIM card or replacement handset at no cost. *See* Joint Motion of Center for Accessible Technology and Verizon Communications Inc. for Adoption of Settlement Agreement, A.20-11-001 at 4 (Jun. 14, 2024).

unreasonable for CforAT to suggest that Verizon had no right to raise this issue and seek Commission intervention. CforAT also ignores that the Commission itself recognized the validity of Verizon's concerns.

Second, CforAT accuses Verizon of engaging in "tactical games" that created "unnecessary work" for CforAT.[25] To the contrary, filing procedural motions, such as a motion to modify a schedule, or asserting the right to cross-examine opposing witnesses, are routine parts of any evidentiary proceeding intended to ensure an orderly and fair process. Given the substantial concessions and commitments Verizon has made with the settling parties, there clearly was no "sense of entitlement" to a specific outcome. CforAT also unfairly criticizes Verizon for settling at all, accusing it of engaging in confidential settlement discussions to "hid[e] any meaningful engagement behind a veil of confidentiality."[26] But the Commission rules designate settlement discussions as confidential and the Commission encourages settlements to efficiently resolve complex issues and build consensus, which ultimately conserves the resources of all parties, including the Commission.[27]

Third, TURN accuses Verizon of embedding "poison pills" in its settlement agreements to create future excuses to abandon its commitments, particularly regarding the Lifeline program.[28] In fact, TURN points only to standard material adverse change provisions typical in long-term commercial and settlement agreements, to balance the substantial public benefits from committing to a specific set of actions for a long period of years. They were freely agreed to by sophisticated public advocates who are highly motivated to ensure compliance. They are not "poison pills" to kill a commitment; they provide a means to ensure the long-term viability and fairness of the agreement in a dynamic regulatory environment.[29]

Fourth, CforAT and TURN rely on unsubstantiated speculation that Verizon will be unwilling or unable to maintain Frontier's California networks.[30] Verizon operates wireline and fiber networks in many states with top ratings and has won multiple awards for customer satisfaction.[31] Verizon clearly

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[25] CforAT Br. at 1-2.
[26] CforAT Br. at 1.
[27] *See* D.09-10-046 at 7 ("The Commission has a history of favoring settlements."); D.14-11-040 at 37 (recognizing the Commission's "long-standing precedents favoring settlements"); Rule 12.6.
[28] TURN Br. at 9-11, 17, 32-33, 35.
[29] TURN's other theory of "harm" is the speculative and counter-factual universe in which Frontier was poised to build fiber to hundreds of thousands of locations and Verizon is "halting or slowing" that build, a false assertion debunked later in this brief. *See supra* § III.A.1.
[30] CforAT Br. at 20; TURN Br. at 30-31.
[31] Exh. JA 7 (Verizon Panel Rebuttal Testimony Errata) at 39 (Verizon won J.D. Power awards for residential internet service provider customer satisfaction, and Verizon Fios was named to the 2025 Forbes Best Customer Service list).

has the experience and financial strength to operate Frontier's wireline networks. CforAT's speculation about service in Frontier territory more than a decade ago distorts the record.[32] More importantly, services and market conditions going back a decade and more have no bearing on the financial and technological capabilities Verizon will bring to bear today.

Fifth, CforAT wrongly claims that there will be "harm" flowing from Verizon's letter to the FCC relating to DEI practices. Verizon has reached a balanced resolution of this issue in good faith with CETF. Verizon also offered additional commitments in its opening brief. CforAT repackages these arguments in its eleventh-hour claim that the Transaction will harm competition, which is based on the unrealistic assumption that without the Transaction Frontier would maintain its DEI practices of the past, notwithstanding the changed climate. Having failed to submit economist testimony, or even to cross-examine Verizon's economist Dr. Aron, CforAT belatedly disagrees with Dr. Aron's well-founded conclusion that the transaction will not harm competition. The Commission should disregard CforAT's counsel's attempt to provide extra-record economic testimony in its brief.[33]

All of the above speculation and mudslinging constitutes neither evidence nor sound legal argument. The false "bad actor" narrative fabricated by TURN and CforAT establishes no concrete or specific harms. Nor does it rebut the overwhelming merger-specific benefits and commitments that the settlements and the testimony of multiple witnesses support.

III. THE TRANSACTION AND SETTLEMENTS PROVIDE NET PUBLIC BENEFITS AND ADDITIONAL CONDITIONS ARE NOT SUPPORTED

A. Opponents' Infrastructure Criticisms and Demands Are Unfounded

Verizon's infrastructure commitments are concrete, targeted to need, and backed by robust verification and enforcement commitments, including at least 75,000 new fiber passings within five years (prioritized to low-income census blocks) and 250 new 5G-ready wireless macro sites within seven years, with a set number in high-priority areas such as high fire threat districts, and other specific broadband upgrades. Verizon will honor Frontier's existing BEAD and other subsidized infrastructure commitments, and prioritize remaining BEAD-eligible locations within Frontier's footprint for evaluation in its expansion plans.[34] These commitments come with a $150 million continuous performance bond to ensure delivery. TURN and CforAT's criticisms and demands for new conditions do not survive scrutiny.

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[32] Verizon's witnesses testified they were not able to verify claims of poor service and cited evidence showing service improved during Verizon's tenure. Exh. JA 7 (Verizon Panel Rebuttal Testimony Errata) at 36.
[33] CforAT Br. at 13-16.
[34] Given this agreement, there is no basis for TURN's demand that the Commission require Verizon to apply to federal and state grants to build fiber to certain ESJ communities within 5 years. TURN Br. at 25.

1. Fiber

TURN's attempt to minimize the robust fiber-deployment commitments negotiated with Cal Advocates and CETF misrepresents the record evidence. TURN dismisses Verizon's commitment to 75,000 fiber passings because it claims Frontier planned to continue with a much larger fiber build absent the Transaction, termed the "approved build universe" or "ABU." According to TURN, Frontier "has been and continues to plan to deploy fiber throughout its approve [sic] build universe using its own funds," and Verizon's settlement commitment would "discontinue[] or significantly slow[] the pace of Frontier's fiber deployment."[35] TURN demands a huge—and unlawful[36]—fiber deployment mandate (which itself is based on a faulty misrepresentation of the ABU, as discussed below) "to avoid potential harms to customers of ***halting or slowing*** Frontier's planned fiber deployment to all locations in its Approve Build Universe."[37]

But TURN ignores record evidence showing that Verizon is not "halting or slowing" anything. Frontier has neither the plans nor the ability to continue significant fiber deployment in California, much less the huge multi-billion dollar build TURN suggests Frontier would otherwise undertake. Alison Ellis testified Frontier "cannot continue fiber expansion at the current pace."[38] She described Frontier's significant debt burden and explained that "[a]fter 2025, Frontier does not plan to complete any additional fiber deployment in California, except fiber deployment associated with its . . . federal or state subsidies/grants."[39] Contrary to TURN's incorrect assertion that there is some "approved" universe of locations that Frontier actively plans to build, Ms. Ellis explained that after 2025 "further fiber expansion will slow to a crawl. Frontier has no plans for additional deployment in California because Frontier does not have the ability to take on additional debt to continue to build fiber at its current rate and because the costs of deploying fiber to additional locations are too high."[40] TURN's attempt to manufacture a harm by alleging a halting or slowing of Frontier's fiber build falls flat. There is no basis for TURN's demanded additional deployment conditions.

TURN's argument also rests on the fictitious premise that the ABU is a viable, shovel-ready plan, which is directly contrary to the evidence. Frontier explained in a discovery response (which TURN itself introduced into the record) that the ABU was only a "high level engineering model and

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[35] TURN Br. at 1, 15.
[36] *See* Joint Applicants' Br. at 36.
[37] TURN Br. at 25 (emphasis added).
[38] *See* JA 3 (Ellis Rebuttal Testimony Errata) at 12.
[39] *Id.* at 15.
[40] *Id.* at 15-16 (After 2025, "remaining unbuilt locations are either too costly and/or complex to fiberize and/or are not economical for Frontier to prioritize over lower cost fiber deployment projects and locations in other states.").

desktop analysis" that is now considered "incomplete and inaccurate" and is "no longer being used by Frontier for fiber deployment planning."[41] TURN even attempts to pump up the numbers by adding back nearly half a million locations that Frontier removed from the model, thereby tripling the number of locations in its demand. But TURN chose not to cross-examine Frontier's witness about the discovery response that explained why these locations needed to be removed, or about the ABU at all. Now, in its brief, TURN falsely asserts that these locations were "improperly subtracted" from Frontier's desktop model, a fiction that has no record support based on nothing more than TURN counsel's apparent belief (without expertise or evidence) that they are "profitable" to serve.[42] TURN's demand to build to specific locations also contradicts the testimony of its own expert witness David Brevitz, who explained that he:

> do[es] not and would not recommend that Verizon's fiber deployment commitment be stated in exact expenditures, timetables and deployment locations. My recommendation is better understood as seeking a commitment by Verizon to upgrade a certain number of locations to modern broadband facilities (whether fiber or wireless) within a certain time frame. Within that overall commitment, the particular technology, locations and project time frames might vary.[43]

Mr. Brevitz also acknowledged that Verizon should not be required to build fiber in any location subject to a government-subsidized build from any provider, but TURN's brief does not attempt to remove such locations.[44] Verizon's commitments in its settlements are more consistent with Mr. Brevitz's recommendation than TURN's new (and unfounded) position in its brief.[45]

Through this misreading of the evidence, TURN demands that Verizon be required to build fiber to hundreds of thousands of the highest cost locations in Frontier territory within three years. Based on Frontier's own cost estimate, this would amount to ***a nearly $5 billion mandate***.[46] To put the numbers in

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[41] Exh. TURN X-27 (Frontier Response to TURN DR 11.1 [PUBLIC])) ("This ABU analysis was based on data available at that time and required more detailed planning, engineering, network, competitive and business care review before Frontier would consider proceeding with the fiber deployment identified in the ABU analysis.").
[42] TURN Br. at 17. Even TURN's witness Mr. Brevitz recognizes that if the ABU were to be used, it would require "data and calculations updated where appropriate." Exh. TURN 3 (Brevitz Supplemental Testimony) at 10.
[43] Exh. TURN 2 (Brevitz Opening Testimony Errata) at 47.
[44] *Id*. at 48.
[45] CforAT's complaint that it does not know the specific locations of Verizon's 75,000 fiber passings contradicts Mr. Brevitz's recommendation. (CforAT Brief at 5.) Moreover, CforAT certainly knows about the low-income prioritization and other settlement limitations on these locations.
[46] Exh. JA 3 (Ellis Rebuttal Testimony Errata) at 45 (estimating a cost per location of over $7,000 for the remaining locations). This is multiplied by the confidential number in TURN's brief. TURN Br. at 17. This $5 billion estimate is conservative and TURN's proposed fiber buildout is not feasible. *See* Exh. JA 3 (Ellis Rebuttal Testimony Errata) at 46 ("This estimate is conservative as deployment costs continue to increase year over year and the cost to serve MDUs is highly variable and dependent on a host of factors unique to each building, including the age and condition of the property, existing wiring, and a willing property owner."), 49-54 (identifying numerous challenges to deploying fiber to remaining locations).

context, Verizon is paying $9.6 billion in cash[47] (and assuming Frontier's debt of $11.7 billion) for Frontier's entire nationwide business in 25 states.[48] A mandate to spend such a large amount as an approval condition in one state would terminate the Transaction.

2. Wireless

Without the settlements, there would be no guarantee of additional wireless deployment, particularly in specific high-risk areas. TURN and CforAT again mischaracterize the record evidence in an attempt to minimize these clear public interest benefits.

TURN speculates that the 250 macro sites could have been contemplated in Verizon's multi-year capital plan, and CforAT claims the record lacks the information needed to assess benefits until Verizon finalizes its Verizon 2026 Plan of Record. But the Cal Advocates' agreement makes clear that the 250 macro sites are in addition to—and not included in—Verizon's 2026 Plan of Record. And Verizon will soon submit its 2026 Plan of Record, which will satisfy a condition of its settlement with Cal Advocates and provide any assurances that might be needed on this point. Further, the commitments explicitly prioritize CASF-eligible areas, High Threat Fire Districts ("HTFDs"), and Regional Broadband Consortia ("RBC")/Metropolitan Planning Organization ("MPO")-identified priorities, and they are paired with stakeholder consultations and annual reporting to verify that siting remains aligned with need. These are all enforceable commitments that would not apply if Verizon were left to make its wireless deployment decision in the regular course of business. TURN attempts to move the goalposts, complaining that "Verizon makes no meaningful commitment to offer fixed wireless broadband service" and that the new sites "may be used solely to enhance Verizon's existing mobile network" (as if that were a bad thing).[49] Again, TURN ignores the facts. These sites are all expressly 5G-ready with FWA capabilities,[50] but the public benefits are not limited to FWA availability alone. The Commission should reject TURN's baseless attempt to diminish the public safety benefits of more robust mobile wireless coverage, particularly in the high-risk areas.

B. <u>Opponents' Criticisms and Demands on Affordability and Consumer Protection Are Unfounded</u>

The settlements establish a long-term, enforceable affordability framework, including ten years of Verizon Forward's discounted broadband program and expanded eligibility, covering Californians up to 200% of the Federal Poverty Guideline and a broad set of public-assistance programs. LifeLine

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[47] Exh. Cal Adv 1 (Selwyn Opening Testimony at 9).
[48] Exh. JA 3 (Ellis Rebuttal Testimony Errata) at 8.
[49] TURN Brief at 5-6.
[50] Exh. CforAT 6 (Verizon-Cal Advocates Settlement Agreement) at 4 ("Such cell sites will be equipped to support 5G technology and fixed wireless access ("FWA") capabilities.").

integration and stacking strengthen the package. Verizon will join the state's fixed broadband pilot, allow the California LifeLine subsidy to be applied to the $20 plan, and offer a federal Lifeline equivalent discount to otherwise ineligible subscribers. Verizon will also assume Frontier's ETC status, continuing California LifeLine in Frontier territories for four years and offering federal Lifeline over Frontier fiber for five years. The agreement mandates $300,000 annually for five years in targeted outreach, accompanied by annual reporting and stakeholder oversight.

TURN and CforAT effectively concede that the affordability commitments in the settlements are beneficial. The only basis for their demands for more, on top of already beneficial commitments, is unfounded speculation that Verizon will not keep its commitments.[51]

TURN demands that, in addition to the voluntary commitments in the settlements, Verizon should be forced to offer its Verizon Forward discount for all technologies, including copper and pre-paid bundles, without credit checks and with a five-year price freeze on eligible services. Given that the existing settlement terms already provide abundant public benefits, there is no basis in Section 854 for TURN to pile on more demands. Verizon Forward is a voluntary offering, not a legal mandate, and there is no basis for TURN to dictate its terms.[52] The demand to add the Verizon Forward discount on copper services is contrary to the testimony of TURN's own expert, Mr. Brevitz, who catalogues the technological inferiority of copper and strongly implies that the public interest lies in migrating customers *off* copper, not creating new obligations tied to it.[53] TURN's demand to freeze prices on all services that are eligible for Verizon Forward is equally misplaced since Section 854 does not provide the Commission authority to regulate broadband service rates.[54]

As discussed earlier in this brief, TURN's "poison pill" inference regarding the Lifeline commitments mischaracterizes lawful and reasonable safeguards that are essential for agreements containing long-term commitments tied to government programs, while ignoring the independent, merger-specific requirements of the settlements. Consistent with the settlement conditions, Verizon must participate in California's broadband-only LifeLine pilot and permit state LifeLine stacking, continue offering California LifeLine in Frontier territories for four years regardless of federal changes, and

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[51] *See* Testimony of Sunne McPeak, Hearing Tr. at 789:5-10, 790:8-24 ("I have every faith that Verizon intends to comply with all the conditions in the agreement with CETF and the agreement with California Advocates and the agreement with Communication Workers of America, and I intend to ensure that they live up to our agreement as I understand it.").

[52] Like other proposals from TURN and CforAT, these proposed mandatory conditions are unlawful on numerous grounds. *See* Joint Applicants' Br. at 38.

[53] Exh. TURN 2 (Brevitz Opening Testimony Errata) at 31.

[54] *See* Joint Applicants' Br. at 37-38, n.170 & 174.

provide federal Lifeline broadband over Frontier fiber for five years, including reversal of a prior opt-out; these are concrete obligations that directly support affordability. Open-ended and perpetual obligations untethered to program funding or statutory frameworks would exceed Section 854's scope and disregard Commission practice of adopting proportional, enforceable conditions linked to the record.

CforAT and TURN raise numerous additional unfounded arguments. CforAT's speculation about Frontier's ETC status is directly contrary to the commitment to assume Frontier's ETC status and provide federal Lifeline broadband over Frontier fiber for five years, including reversal of a prior opt-out.[55] Beyond those commitments, Verizon should not be treated differently from any other ETC regarding its rights and obligations, and TURN's demand to prohibit Verizon from relinquishing ETC status for 20 years is baseless, overreaching, and discriminatory as compared to similarly situated companies. There is no basis for CforAT's speculative charge that Verizon could act after Commission approval but before the close of the Transaction to materially change the eligibility criteria and discount for Verizon Forward and/or the price of Frontier Fundamental Internet. Verizon hereby confirms that it will ***not*** do this. Likewise, there is no basis for TURN and CforAT's quibbling with the spend commitment for advertising as this provision already provides a substantial public benefit, particularly in comparison to the *status quo* where there is no advertising commitment. TURN's arguments about Frontier Fundamentals are also misleading. As Ms. Ellis testified, Frontier no longer offers this program to new customers as of February 2024 (although customers subscribed before that date are "grandfathered" and still receive it).[56] TURN's demand that Verizon be forced to resume this program is baseless; there are more than sufficient beneficial affordability commitments in the settlements already, including Verizon Forward.[57] TURN and CforAT misconstrue this Commission's order approving the Tracfone acquisition to argue that once acquired by Verizon, all the Frontier entities will each be required to offer California LifeLine through 2041.[58] This condition does not mean that both Tracfone and every single company affiliated with Verizon now or in the future must participate in California LifeLine for 20 years. The order says "we require that TracFone ***or*** Verizon participate in California LifeLine for 20 years after the close of the transaction,"[59] and clarifies that "either Verizon or TracFone

[55] Exh. CforAT 6 (Verizon-Cal Adv. Settlement Agreement) at 10.
[56] Exh. JA 3 (Ellis Rebuttal Testimony Errata) at 76.
[57] Exh. JA 7 (Verizon Panel Rebuttal Testimony Errata) at 16. Verizon committed in the settlements to honor Frontier Fundamentals for the existing customers for five years. Exh. CforAT 5 (Verizon-CETF MOU) at 4; Exh. CforAT 6 (Verizon-Cal Advocates Settlement Agreement) at 9.
[58] TURN Br. at 9-10; CforAT Br. at 7.
[59] Decision Granting Joint Application and Approving Transfer of Control of TracFone Wireless, Inc. to Verizon

must meet the LifeLine obligation ordered by this decision, but that the obligation does not fall to both companies."[60] The only reasonable reading is that Tracfone ***or*** some other Verizon affiliate must participate in California LifeLine for 20 years.

C. <u>Opponents' Criticisms of the Service Quality Commitments and Additional Demands Are Unfounded</u>

The settlements deliver merger-specific, enforceable measures that will materially improve service quality and workforce stability across Frontier's California network. They establish a defined audit-and-remediation clock, sustained performance reporting with escalation, a formal plant maintenance intake-and-repair program, central office resiliency standards, and concrete hiring and no-layoff commitments—all aligned to the Commission's service-quality framework in GO 133-D and tailored to this Transaction. Verizon will hire at least 100 full-time CWA-represented employees each year for six years after close of the Transaction, for a total of at least 600 full-time CWA-represented employees. As CWA observes, "Verizon's commitments to service quality as laid out in its testimony and the settlement agreement with CWA show that the Transaction will improve the quality of service for California consumers."[61]

TURN admits that the service quality terms of the existing settlements are "marginally" in the public interest, while CforAT concedes that "these commitments have the potential to benefit consumers."[62] That should be the end of the story, but both speculate that, since they consider Verizon a bad actor (a theme debunked earlier in this brief), Verizon cannot be trusted to follow through with upgrades to meet the Commission's service quality standards and would rather just "pay a fine."[63] However, Verizon cannot satisfy the extensive service quality commitments in the settlements simply by paying a fine. Equally illogical are the arguments that some of the commitments are what a "reasonable buyer" would do anyway, and therefore provide no "benefit."[64] This undervaluing of the negotiated settlements disregards the multiple commitments that clearly would not apply to Verizon or Frontier absent approval of the settlements, such as the defined audit-and-remediation timeline, the formalized plant maintenance program with a 90-day repair clock and four-year reporting regime with escalation

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Communications, Inc., Subject to Conditions, A.20-11-001 at 41 (Nov. 19, 2021) ("Verizon-TracFone Approval Order") (emphasis added); *see also* OP 2 ("For 20 years following the close of the transaction, Verizon Communications, Inc., Cellco Partnership (U3001C) d/b/a Verizon Wireless (Verizon), ***or*** Tracfone Wireless, Inc. (TracFone), shall participate in the California LifeLine Program.") (emphasis added).

[60] Verizon-TracFone Approval Order at 41.

[61] CWA Br. at 5.

[62] TURN Br. At 12; CforAT Br. At 8.

[63] CforAT Br. at 8; TURN Br. at 13.

[64] TURN Br. at 13; CforAT Br. at 9.

and multi-year workforce stability and hiring. CforAT's demand to move the timelines up (which effectively admits that the underlying activities are beneficial) is unrealistic and incompatible with orderly implementation. The settlements strike the right balance. TURN's demand for additional back-up power mandates beyond the settlements has no record support. The Commission has a resiliency proceeding where it can address any additional back-up power issues on an industry-wide basis.[65]

TURN and CforAT's insistence on additional staffing commitments has no basis in the law or the evidence. First, their criticism of the terms relating to hiring and retention of union-represented workers falls flat given that CWA negotiated them. In an effort to extract additional demands, TURN and CforAT seek pay mandates for non-union employees and a prohibition from layoffs, but it is well-settled that the Commission lacks jurisdiction or authority to mandate conditions concerning employees.[66] The demand for an independent compliance monitor on staffing is unnecessary. Staffing is already addressed in the settlements with the CWA retention and hiring commitments and the commitment with Cal Advocates to "maintain adequate personnel to ensure that it will offer safe and reliable service in compliance with all applicable service quality standards."[67] There is no basis for additional staffing conditions.

D. Opponents' Compliance Demands Are Unfounded

The settlements establish a proportionate, multi-layered oversight framework that ensures delivery of the merger-specific commitments while preserving the Commission's full jurisdiction post-Transaction. Verizon agreed to a $150 million continuous performance bond to secure the infrastructure and program commitments; this bond can be reduced only via a Tier 2 advice-letter process tied to measurable milestones, complemented by annual progress reports and semiannual stakeholder consultations. There are specific reporting requirements with the infrastructure, service quality, and affordability terms. The CETF settlement includes detailed planning, reporting, and consultations that align with California's supplier diversity and workforce transparency requirements, and GO 156 includes extensive and industry-wide reporting requirements already. Adopting the settlements in the ordering paragraphs affords the Commission direct enforcement over each commitment. The settlements fully preserve the Commission's jurisdiction and authority over the Frontier entities, and Verizon will honor Frontier's obligations and agreements.

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[65] *See* Order Instituting Rulemaking to Update Communications Emergency Preparedness and Network Resiliency Program, R.25-07-014 (Jul. 24, 2025).

[66] Joint Applicants' Br. at 33.

[67] Exh. CforAT 6 (Verizon-Cal Advocates Settlement Agreement) at 7.

The performance bond terms were fairly negotiated with sophisticated consumer advocates and are more than sufficient. CforAT's call to freeze at least $75 million of the performance bond until all builds are complete or to peg annual bond reductions to the "lower of" fiber or wireless completion disregard the negotiated, milestone-based approach, which already ties surety to performance while maintaining the Commission's separate enforcement authority. The proposals for an independent compliance monitor replicate tools the Commission already has and would duplicate the settlements' audit, reporting, bond, and consultation framework, adding unnecessary expense and complexity. Additional reporting layers for every monetary or consultative commitment are similarly duplicative; the existing annual and semiannual reporting architecture provides the transparency needed for targeted enforcement if issues arise.

TURN's proposal to appoint a costly, third-party COLR compliance monitor paid for by Verizon is an unnecessary and burdensome solution in search of a problem. Verizon explicitly committed in the CWA settlement to assume Frontier's COLR obligations, and the Commission retains its full regulatory authority to ensure Verizon upholds those obligations. TURN's reliance on the Frontier Bankruptcy precedent is misplaced, as that case involved a financially strained company emerging from bankruptcy whereas this case presents a financially strong and stable buyer. TURN relies on unfounded speculation that Verizon will neglect its landline duties, distorting a statement that Verizon is "a mobile provider first," which TURN well knows related to the narrow topic of how to engineer a wireless network.[68] Verizon is one of the largest wireline companies in the nation, operating copper and fiber networks and having approximately 7.4 million fiber broadband or Fios customers in nine states and Washington, D.C. and winning multiple awards for the quality of its service.[69] Verizon will not neglect its landline duties or its COLR settlement commitment, and an unnecessary and costly third-party monitor would needlessly divert money that Verizon could invest in network improvements.

The Commission does not need to invent new oversight instruments because the settlement terms supply proportionate, enforceable oversight. The Commission should adopt the settlements in the ordering paragraphs, recognize that its jurisdiction is fully preserved, and decline costly or duplicative additions that would delay or dilute delivery of concrete public benefits.[70]

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[68] TURN Br. at 31.

[69] Exh. JA 6 (Verizon Panel Opening Testimony) at 9.

[70] There is no basis for CforAT's demand that merger conditions can only be changed through a petition for modification and settlement agreements cannot be changed at all. (CforAT Br. at 23.) In the unlikely event that anything needs to be modified, it would only be done with Commission approval through normal procedures that apply to all similarly situated parties. There is no need to address this issue here.

E. Opponents' Arguments on Diversity, Equity, and Inclusion Are Erroneous

The Commission has now fully vetted the DEI issues in this proceeding, and the public interest supports approval. Without the Transaction, Frontier's already declining ability to invest in the communities it serves will continue to worsen.[71] By contrast, the Transaction will give Frontier's existing suppliers access to Verizon's vastly greater pool of spending and create expanded opportunities for Verizon's suppliers—including those recruited through its small business programs—to provide services in Frontier's territory.[72] Diverse suppliers, along with small business suppliers from all communities in California, stand to benefit greatly. Verizon remains committed to inclusion, equal opportunity, and nondiscrimination, and it has made numerous commitments in this proceeding that reflect a responsible, balanced, and thoughtful response to the changing federal landscape.[73] This includes confirming its commitment to full compliance with the Public Utilities Code and GO 156, establishing a $5 billion Small Business Supplier Accelerator program and committing to spend at least $500 million with California small businesses (which the record shows have extensive diverse ownership), expanding its outreach to a wide range of California community organizations to ensure its programs and supply chain are inclusive, partnering with CETF to ensure the effectiveness of its outreach and support small businesses who seek to participate in the Commission's Supplier Clearinghouse Program, and committing $10 million to a new workforce development program administered by Cal State University to expand access to job opportunities in technology for California students.[74] These commitments will be subject to ongoing Commission oversight.[75] CforAT would have the Commission overlook all of this, as well as the many other benefits the Transaction would create. Its arguments do not justify this draconian outcome, nor do they support the conditions it seeks as an alternative.[76]

CforAT asserts that the Commission should block the Transaction because Verizon "voluntarily agreed" to the FCC commitments to avoid the FCC designating "the proposed transaction for a hearing, effectively denying the merger."[77] This argument is a classic Catch-22. CforAT's assertion that there

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[71] *See* Exh. JA 12 (Reyes Third Supplemental Testimony) at 35.
[72] *Id.*
[73] *See, e.g.*, Testimony of Sunne McPeak, Hearing Tr. 806:23-807:3.
[74] Joint Applicants' Br. at 22, 25-31.
[75] *See, e.g.,* CETF Br. at iii ("If Verizon does not [adhere to its commitments], CETF will not hesitate to petition this Commission for relief, as it has in the past when a carrier failed to keep a settlement agreement commitment.").
[76] Verizon anticipated and addressed many of CforAT's claims in its opening brief and will not repeat those arguments here. *See, e.g.*, Joint Applicants' Br. at 31-32.
[77] CforAT Br. at 29, 31.

have not been "any changes to federal law or regulation"[78] is detached from reality; in fact, the regulatory and policy environment on these issues has clearly changed.[79] The FCC has required companies seeking transaction approval to eliminate DEI programs, so any company acquiring Frontier would have to do so. More broadly, this change is apparent from executive orders, guidance and enforcement activity by the EEOC, and the recent memorandum from the Attorney General.[80] Frontier is also subject to the FCC's jurisdiction and oversight and confirmed that its practices "will continue to evolve in response to both changes in the operation of the business and changes in the legal and regulatory environment applicable to telecommunications providers, like Frontier."[81] CforAT is asking the Commission to block the Transaction in the hope that Frontier will hold to historical practices that are not consistent with federal policy. This myopic view would only harm the public interest by removing the benefits of the Transaction with no commensurate gain.

In its testimony and opening brief, Verizon provided a detailed description of its plans to comply with each element of GO 156 and Pub. Util. Code Sections 8281-8290.2.[82] CforAT dismisses this, characterizing Verizon's response to the direct compliance question posed by Scoping Memo 7a as an "attempted distraction."[83] CforAT claims that Verizon "cannot meet the requirements of section 8283 and General Order 156" if it uses "the Commission's supplier diversity benchmarks as Verizon's goals" and does not set its own quantitative goals.[84] CforAT appears not to have reviewed many recent GO 156 reports filed by large utilities, because 8 of the 12 companies listed the Commission's supplier diversity goals in their most recent reports.[85] Verizon will be the ninth large utility to use the Commission's goals

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[78] *Id.*

[79] *See* Joint Applicants' Br. at 24 n.99.

[80] *Id.* at 23, 25.

[81] Exh. JA 5 (Ellis Third Supplemental Testimony) at 5 ("In light of [the FCC's] policy pronouncements, Frontier must adapt the way it operates as a business or, Frontier risks facing FCC investigation and scrutiny of its policies and practices as part of this FCC initiative."); *see also* Exh. JA 11 (Reyes Second Supplemental Testimony) at Exhibit 1 – Letter from Vandana Venkatesh, Executive Vice President and Chief Legal Officer, Verizon, to Hon. Brendan Carr, Chairman, FCC at 6 (filed May 15, 2025) ("Verizon Letter to the FCC").

[82] *See* Joint Applicants Br. at 27-29; Exh. JA 12 (Reyes Third Supplemental Testimony) at 18-21.

[83] CforAT Br. at 30, n.106.

[84] *Id.* at 30.

[85] AT&T, CalWater, Charter, PG&E, SCE, SDG&E, SoCalGas, and T-Mobile all adopted this approach in their last reports. *See* Exh. JA 12 (Reyes Third Supplemental Testimony) at 4 n.9. AT&T and Charter both included language in their reports stating that benchmarks were set by the Commission and not the companies. *See* AT&T 2024 Annual Report & 2025 Annual Plan Submitted Pursuant to California Public Utilities Commission General Order 156 at 10-11, available at https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/bco/go-156-procurement-plans/2024/att-go-156-2024-report-and-2025-plan-42525updated-final3.pdf; Charter Communications, 2024 Supplier Diversity Spending Report and 2025 Plan in accordance with General Order 156 at 18 (Apr. 4, 2025), available at http://cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/bco/go-156-procurement-plans/2024/charter-2024-go-156-report-and-2025-plan.pdf; *see also*

as the benchmarks against which its planned performance will be judged. CforAT mischaracterizes the purpose of these benchmarks, which legally cannot be quotas or preferences.[86] Rather, their purpose is to provide a measure against which the effectiveness of a utility's outreach can be considered and help identify instances where a utility can do more to ensure it is effectively reaching all communities. Verizon has committed to do this and partnered with CETF to ensure its efforts are successful.[87] Its compliance with GO 156 will continue to be robust and complete. No further conditions are needed to ensure this outcome.

CforAT next makes the remarkable claim that the Commission can direct Verizon to violate its commitments to the FCC—items that were material to the FCC's approval of the national Transaction[88]—based on the theory that those commitments run afoul of the First Amendment.[89] This theory is flawed on multiple levels. First, flouting the commitments would expose Verizon to obvious FCC enforcement risk that the company will not accept.[90] CforAT's proposal is tantamount to asking the CPUC to reject the Transaction (which is precisely what CforAT seeks). Second, CforAT's claim involves a procedurally improper and statutorily barred collateral attack on the *FCC Approval Order*.[91] Third, the Commission cannot unilaterally declare the FCC commitments void on First Amendment grounds and impose conditions on Verizon based on that conclusion; such a decision would be preempted by federal law.[92]

Exh. JA 12 (Reyes Third Supplemental Testimony) at 24-25.

[86] *See* GO 156, Section 6; *PegaStaff v. Pacific Gas & Electric Co*., 239 Cal. App. 4th 1303, 1326 (2015).

[87] *See, e.g.*, CETF Br. at 8 (the CETF settlement will "harness[] the discipline and innovation of the private sector with the expertise and cultural competency of those working on behalf of the public sector as 'trusted messengers' to reach disadvantaged populations").

[88] *See* Joint Applicants' Br. at 35 (citing *Frontier Commc'ns Parent, Inc. & Verizon Commc'ns, Inc. Application for Consent to Transfer Control,* Memorandum Opinion and Order, DA 25-41 at 15, ¶ 33 (rel. May 16, 2025) ("*FCC Approval Order*")).

[89] CforAT Br. at 33-34.

[90] CforAT is in no position to force Verizon to take that risk and lacks standing to assert Verizon's First Amendment rights. *See, e.g.*, *United States v. Hansen*, 599 U.S. 762, 769 (2023) ("[L]itigants typically lack standing to assert the constitutional rights of third parties."). Moreover, CforAT's First Amendment arguments would preclude the Commission from imposing on Verizon the very conditions that CforAT itself proposes. *See also* Joint Applicants' Br. at 35 & n.158.

[91] Judicial review of FCC licensing decisions lies exclusively in the D.C. Circuit. *See* 47 U.S.C. § 402(b); *Biltmore Forest Broad. FM, Inc. v. United States*, 555 F.3d 1375, 1382 (Fed. Cir. 2009). Moreover, any party wishing to challenge the *FCC Approval Order*—which was issued by FCC Bureaus on delegated authority—would have needed to first file an "application for review" within 30 days of issuance of the Order. 47 U.S.C. § 155(c)(1), (7) (filing of application for review "shall be a condition precedent to judicial review" of any order or other action by FCC staff on delegated authority); 47 C.F.R. § 1.115(d) (application for review is due within 30 days of order issued on delegated authority). CforAT—which was not a party to the FCC proceeding—did not timely file an application for review (which would have been due by June 16, 2025).

[92] *See, e.g.*, *Murphy v. Nat'l Collegiate Athletic Ass'n*, 584 U.S. 453, 477 (2018) ("Preemption is based on the [U.S. Constitution's] Supremacy Clause," which "specifies that federal law is supreme in case of a conflict with

The remaining proposed conditions are a grab-bag of unnecessary and unlawful mandates that would not advance the public interest. CforAT proposes unnecessary and overly burdensome reporting obligations, and the employment-related conditions are beyond the Commission's jurisdiction.[93] The remainder are not needed because Verizon committed to full compliance with GO 156 reporting requirements, and its reports will provide robust detail about Verizon's programs that is sufficient to assess their effectiveness. TURN asks the Commission to interfere with Verizon's contractual relationships with its suppliers by proposing that Verizon be required to "include in any future contracts" language TURN would prefer on GO 156 reporting.[94] This suggestion ignores the Commission's express provision in GO 156 that the utility "retains the authority to use its legitimate business judgment to select the supplier for a particular contract," which must include defining the terms of that contract.[95] Equally unlawful is CforAT's suggestion that the Commission "appoint a third-party monitor" to "direct Verizon, at Verizon's expense to perform outreach activities."[96] This proposal likewise contravenes the requirements of GO 156, which reserves to the utility the right to apply its business judgment and define outreach activities that are appropriate "depending on size, service territory, and lines of business."[97] This open-ended mandate for an unnamed third party to direct Verizon's speech would also violate the First Amendment.[98] All of this is unnecessary in light of the robust commitments Verizon has made to outreach in California and its partnership with CETF to support the success of those efforts.

Finally, CforAT resorts to baseless and ad hominem accusations that "Verizon will pay CETF to lend false legitimacy to [its] programs."[99] The Commission should disregard this slight. CETF has a demonstrated and decades-long track record of success working to advance the Commission's policy objectives, close the Digital Divide, and engage in constructive partnership to promote economic development in California's most disadvantaged communities. Considering the holistic inquiry required

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state law"); *Pacific Bell Tel. Co. v. Pub. Utils. Comm'n of Cal.*, 2005 U.S. Dist. LEXIS 6134, *14 (N.D. Cal. 2005) ("[S]tate regulations that conflict with or are inconsistent with federal regulations are nullified under the Supremacy Clause.") (citation omitted).

[93] *See* Joint Applicants' Br. at 33 & n.147.

[94] TURN Br. at 40.

[95] GO 156, Section 6. TURN's suggestion ignores the obvious commercial reality that third parties may not agree to proposed contractual language.

[96] CforAT Br. at v & 47. CforAT also asks the Commission to empower the monitor to "address any disparities in compensation among the combined company's employees." *Id.* at 5. However, the Commission lacks jurisdiction or authority under California law to mandate conditions concerning employees. *See* Joint Applicants' Br. at 33, 36 & n.164.

[97] GO 156, Section 6.2.

[98] *See* Joint Applicants' Br. at 35 & n.158.

[99] *See* CforAT Br. at 11.

by Section 854, CETF summarized the record in this proceeding correctly: "With all of the public benefits for consumers, utility workers, small businesses, public safety, Tribes, and those on the wrong side of the Digital Divide, CETF strongly encourages the Commission to conclude that this package of public benefits clearly outweigh any detriments of the proposed Transaction raised by Intervenors CforAT and TURN. Given these clear net benefits, CETF urges prompt approval of the Verizon Frontier transaction by the end of the year."[100]

IV. CONCLUSION

Opponents' all-or-nothing strategy stands in stark contrast to the constructive, good-faith approach the other parties took to resolve their issues. Accepting their view would establish a harmful precedent, undermining the Commission's own stated policy of encouraging settlements and creating a perverse incentive for parties to refuse reasonable negotiations in future proceedings. And rejecting the Transaction or imposing punitive conditions would create significant regulatory uncertainty, signaling that outlier demands can derail beneficial investment in California and deterring future investment in the state. The Commission should approve the well-supported settlements, which represent a balanced and reasonable outcome that clearly promotes the public interest, and reject the unreasonable demands of Opponents. Time continues to be of the essence, as the settling parties recognize.[101] Joint Applicants agree, and respectfully request that the Commission issue a decision approving the Transaction in 2025.

Respectfully submitted this 31st day of October, 2025.

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[100] CETF Br. at iii-iv, 34.
[101] *Id.*