

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



FILED

10/31/25

04:59 PM

Application 24-10-006 410006

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.

**REPLY 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 31, 2025

TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTION.....	1
II. DISCUSSION.....	2
A. The Agreement Should be Adopted because it is in the Public Interest and Satisfies the Requirements of Section 854.	2
B. In Addition to Adopting the Agreement, the Commission Should Consider Necessary Conditions to Ensure Compliance with GO 156 and Public Utilities Code Sections 8281-8290.2.....	4
III. CONCLUSION	5

I. INTRODUCTION

Pursuant to Rule 13.12 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure (Rules), 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 reply brief in Application (A.) 24-10-006 (Application). As set forth in the *Opening Brief of the Public Advocates Office* (Cal Advocates' Opening Brief), Cal Advocates urges the Commission to adopt the September 4, 2025, settlement agreement between Cal Advocates and Verizon (Agreement) to ensure that Californians are able to enjoy the public interest benefits of the Proposed Transaction.

Cal Advocates agrees with the Joint Applicants that the Agreement provides substantial public benefits in fiber and fixed wireless access infrastructure deployment, affordable broadband access, and processes for collaboration between Verizon and stakeholders in future projects.¹ By adopting the Agreement in its final decision and approval of the proposed transaction, the Commission will ensure that Californians enjoy these substantial public benefits.

The Utility Reform Network (TURN) and the Center for Accessible Technology (CforAT) have submitted comments on a number of issues, including diversity, equity and inclusion (DEI).² In addition to adopting the Agreement, the Commission should carefully review these comments and issue a ruling that promotes California's legislative policy of encouraging diversity as established in Public Utilities Code Sections 8281-8290.2 and enforced by the Commission in part through General Order (GO) 156. By its express terms, the Agreement does not include settlement terms addressing concerns

¹ *Joint Applicants Post-hearing Opening Brief and Comments Addressing Settlement Agreements*, October 10, 2025 (Joint Applicants' Opening Brief) at 4-9; *see also* Cal Advocates' Opening Brief at 1-9.

² *Opening Brief of the Utility Reform Network*, October 10, 2025 (TURN Opening Brief) at 14, 29, 39; *Center for Accessible Technology Response to Motions to Approve Settlement and Opening Brief*, October 10, 2025 (CforAT Opening Brief) at 29-40.

raised by Cal Advocates and other intervenors relating to DEI.³ The Commission should review the evidentiary record in this proceeding and impose additional DEI-related conditions if it determines they are necessary to ensure the post-merger Verizon will comply with Public Utilities Code Sections 8281-8290.2 and GO 156.

II. DISCUSSION

A. **The Agreement Should be Adopted because it is in the Public Interest and Satisfies the Requirements of Section 854.**

Taken together, the briefing and settlement comments submitted by Cal Advocates and Joint Applicants represent a comprehensive and compelling record of the public interest benefits that will result from the Agreement.⁴ Cal Advocates agrees with Joint Applicants' comments that the substantial benefits of the Agreement satisfy the requirements of Section 854 and warrant adoption of the Agreement by the Commission.⁵

As outlined in the Joint Applicants' Opening Brief, the Agreement represents a framework that will expand access to broadband infrastructure across California, especially for those in low-income and disadvantaged communities.⁶ The Agreement ensures that infrastructure improvements are targeted toward communities with median household incomes below 90% of county averages, directly addressing the state's digital divide and advancing the Commission's Environmental and Social Justice (ESJ) Action Plan goals.⁷ Completion of Verizon's buildout commitments is guaranteed by a \$150

³ The preamble of the Agreement provides that the "[s]ettling Parties agree to resolve their issues raised in this Proceeding except for the issue on Diversity, Equity, and Inclusion." Agreement at 1-2; *See also Joint Motion of Verizon and Public Advocates office for Adoption of Settlement Agreement*, October 18, 2024 (Joint Motion for Adoption of Settlement) at 1, 3, 9, 11, 17.

⁴ Joint Applicants' Opening Brief at 4-9; Cal Advocates Opening Brief at 1-9.

⁵ Joint Applicants' Opening Brief at 4-5, 10-20; Cal Advocates' Opening Brief at 9-13.

⁶ Joint Applicants' Opening Brief at 4-5, 20; Cal Advocate's Opening Brief at 2-5; Agreement at 3, paragraphs (paras.) 1-2.

⁷ Joint Applicants' Opening Brief at 4-5, 20; Cal Advocate's Opening Brief at 13-15; Agreement at 4, para. 4.

million performance bond which can only be released in proportion to the required infrastructure that is actually completed.⁸

Moreover, Cal Advocates supports the Joint Applicants' commitment to provide universally affordable low-income broadband and bundled services through the Verizon Forward discount and application of California and Federal Lifeline subsidies.⁹ These provisions provide an accessible broadband offering for many low-income households, establishing one of the most affordable broadband programs in the nation.¹⁰ Finally, Joint Applicants' Opening Brief confirms that under the terms of the Agreement, Verizon will maintain service quality through a network audit and maintenance program that will ensure compliance with General Order 133-D standards, and include robust reporting and oversight mechanisms.¹¹ In addition, Joint Applicants describe that Verizon will collaborate with tribal and local governments to facilitate infrastructure deployment and provide transparency through regular reports and stakeholder meetings.¹²

Taken as a whole, the terms of the Agreement deliver substantial, enforceable, and verifiable public benefits designed to expand infrastructure, provide equitable access, ensure affordability, and improve service quality. Joint Applicants' compliance with these commitments should satisfy the statutory requirements of Section 854(a), (b)(2), (b)(3) and (c), and serve the public interest.¹³ As such, the Commission should adopt the proposed Agreement in its entirety as a condition of approval for the transaction. Doing so will ensure that Verizon's acquisition of Frontier's California operations results in long-term, equitable benefits for consumers, communities, and California's digital future.

⁸ Joint Applicants' Opening Brief at 5; Agreement at 3-4, para. 3.

⁹ Joint Applicants' Opening Brief at 5-7; Cal Advocates' Opening Brief at 6-7; Agreement at 7-9, paras. 16-20.

¹⁰ Agreement at 7-9, paras. 16-20; Cal Advocates' Opening Brief at 6-7.

¹¹ Joint Applicants' Opening Brief at 8; Cal Advocates' Opening Brief at 8-9; Agreement at 7, para. 14.

¹² Joint Applicants' Opening Brief at 5, 8, 18, 33; Cal Advocates' Opening Brief at 9; Agreement at 5-7, paras. 6-10, 12.

¹³ Joint Applicants' Opening Brief at 10-19.

B. In Addition to Adopting the Agreement, the Commission Should Consider Necessary Conditions to Ensure Compliance with GO 156 and Public Utilities Code Sections 8281-8290.2.

While the Agreement promotes substantial benefits that have been extensively summarized, the Agreement does not address the DEI-related questions identified in the May 29, 2025 *Assigned Commissioner's Amended Scoping Memo and Ruling*.¹⁴ TURN and CforAT have submitted comments on these issues,¹⁵ and the Joint Applicants have committed that the post-merger entity will uphold California law and comply with GO 156 and Public Utilities Code Sections 8281-8290.2.¹⁶ The Agreement excludes DEI-related issues by its express terms, and thus the Commission may adopt the agreement in its entirety and consider imposing additional conditions relating to DEI concerns, if necessary.¹⁷ Cal Advocates maintains its concerns raised in testimony regarding the importance of maintaining strong supplier diversity and equity commitments during and after the transition of Frontier's California operations.¹⁸ Cal Advocates recommends that the Commission consider whether additional conditions are appropriate to address these issues based on the full evidentiary record.¹⁹

Multiple parties have submitted comments in this proceeding regarding the implications of the proposed transaction on DEI efforts in California.²⁰ Given that the Agreement does not resolve these issues, Cal Advocates respectfully recommends that

¹⁴ The preamble of the Agreement provides that the “[s]ettling Parties agree to resolve their issues raised in this Proceeding except for the issue on Diversity, Equity, and Inclusion.” Agreement at 1-2; *see also* Joint Motion for Adoption of Settlement at 1, 3, 9, 11, 17.

¹⁵ TURN Opening Brief at 14, 29, 39; CforAT Opening Brief at 29-40.

¹⁶ Joint Applicants' Opening Brief at 26-29; Ex. JA 12, *Reyes Third Supplemental Testimony*, July 30, 2025, at 17.

¹⁷ Agreement at 1-2.

¹⁸ Ex. Cal Adv-10, *Response of the Public Advocates Office to Joint Applicants' Second Supplemental Testimony*, served June 30, 2025, (Cal Advocates' Second Supplemental Testimony) at 9-10.

¹⁹ Cal Advocates' Second Supplemental Testimony at 9-10.

²⁰ *See, e.g.*, TURN Opening Brief at 14, 29, 39; CforAT Opening Brief at 29-40; Joint Applicants' Opening Brief at 22-40.

the Commission review the full record, including testimony from Joint Applicants and intervenors,²¹ to determine whether additional conditions are necessary to ensure ongoing compliance with GO 156 and the supplier diversity provisions of the Public Utilities Code Sections 8281-8290.2. Cal Advocates does not recommend additional specific conditions beyond those contained in the Agreement and Cal Advocates' Second Supplemental testimony, and recommends that the Commission weigh the evidentiary record on this issue and adopt the DEI-related requirements necessary to support diverse communities and promote transparency, accountability, and equitable participation going forward, in compliance with applicable law.²²

III. CONCLUSION

The Agreement represents substantial benefits to Californian consumers to promote the public interest through approval of the Proposed Transaction. Therefore, the Commission should adopt the Agreement as a condition of approval for the Proposed Transaction. In addition, the Commission should consider the entire evidentiary record and determine whether additional conditions are necessary to ensure compliance with Public Utilities Code Sections 8281-8290.2 and GO 156, and to promote DEI.

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 31, 2025

²¹ See generally Ex. CforAT-02, *Prepared Supplemental Testimony of Paul Goodman*, June 27, 2025; Ex. JA 12, *Reyes Third Supplemental Testimony*, July 30, 2025, at 17; Ex. Cal Adv.-10, Cal Advocates' Second Supplemental Testimony at 9-10.

²² Pub. Util. Code §§ 8281-8290.2 and GO 156.