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

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| 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<br>(Filed October 18, 2024) |

# JOINT APPLICANTS' REPLY COMMENTS ON PROPOSED DECISION GRANTING TRANSFER OF CONTROL SUBJECT TO CONDITIONS

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January 12, 2026

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Verizon Communications Inc. ("Verizon") and Frontier Communications Parent, Inc. with its wholly-owned California subsidiaries[1] (together, "Frontier," and with Verizon, the "Joint Applicants"), respectfully submit these reply comments to the Opening Comments filed by the California Emerging Technology Fund ("CETF"), The Utility Reform Network ("TURN"), and the Center for Accessible Technology ("CforAT").

## I. INTRODUCTION

The Commission should reject requests from TURN and CforAT to impose near-ubiquitous fiber buildout obligations and overreaching compliance measures. No commenter denies the Transaction's net benefits, and the Proposed Decision rightly concludes that the Transaction should be approved. Joint Applicants urge the Commission to adopt the Proposed Decision with the targeted changes we recommend and approve the Transaction as scheduled at the January 15 meeting to ensure it closes before the impending expiration of the federal antitrust approval.

## II. THE COMMISSION SHOULD REJECT TURN'S PROPOSAL FOR NEAR-UBIQUITOUS FIBER DEPLOYMENT AND MODIFY OP 2 AS PROPOSED.

The Commission should reject TURN's latest and expanded request that Verizon be required to build fiber to not only all locations in Appendix D, but to all locations in the wire centers associated with Frontier's ABU modeling. TURN has proposed that the Commission require fiber deployment to more than 900,000 additional locations beyond the locations included in the Appendix D wire centers. This extraordinary demand, when combined with the existing requirements of Ordering Paragraph 2, would entail near-ubiquitous fiber deployment in Frontier's territory. Even TURN's own expert, Dr. Brevitz, rejected such an unbounded and astronomically costly obligation.[2] TURN's proposal has no legal basis, no record support, and misrepresents the record evidence.

The extraordinary cost of TURN's demand cannot be overstated. As Frontier witness Allison Ellis testified, based on Frontier's experience and expertise in completing fiber deployment projects in its California service territory, Frontier estimates it would cost approximately ***$7 billion***

[1] The subsidiaries are 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.

[2] *See* Exh. TURN 2 (Brevitz Opening Testimony Errata) at 48:9-11 ("[I]f Verizon has deployed FWA to particular locations and areas within Frontier's service areas in California, it is not necessary for the Commission to require deployment of fiber optic facilities to those locations").

to deploy fiber to 960,000 non-fiber locations in its footprint.[3] TURN completely ignores this testimony. TURN's punitive mandate represents roughly 35% of the Transaction's total value; quite simply, TURN's proposal would kill the Transaction, the settlements, and all of the benefits they will bring to communities across California.

TURN's latest overreaching demand has no basis in California law. A proposed mitigation measure must be connected to a harm caused by the Transaction,[4] and TURN has identified no such harm. On its own, a financially strapped Frontier "does not plan to complete any additional fiber deployment in California" outside of subsidized projects.[5] The status quo therefore does *not* involve Frontier building fiber to every location on TURN's list. And contrary to TURN's assertion, the Transaction will not make Frontier's California customers "worse off."[6] The Transaction will bring only *benefits* that are enhanced by the settlement agreements, including Verizon's commitments to add 250 new 5G-ready macro cell sites and 75,000 new fiber passings.[7] The Proposed Decision correctly identifies "substantial customer benefits, including additional service options, affordable pricing plans, infrastructure development, and service quality improvements" resulting from the Transaction and settlement agreements.[8] TURN's demands requesting additional fiber deployment are unlawful[9] and fail to identify any error in the Proposed Decision.[10]

In addition to rejecting TURN's proposal for fiber deployment to all locations in the ABU model wire centers, the Commission should reject TURN's request to add its fiber buildout obligation to all the locations in the 88 wire centers included in Ordering Paragraph 2. As Joint

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[3] *See* Exh. JA 3 (Ellis Rebuttal Testimony Errata) at 46 (emphasis added); *see generally id.* at 45:18-47:15.

[4] *See, e.g.*, D. 21-11-030 at 8 (goal of conditions is to "mitigate any significant negative impacts" of a proposed transaction); D. 20-04-008 at 35-36 (analyzing whether "conditions or mitigation measures" would "prevent significant adverse consequences which may result from the merger").

[5] Exh. JA 3 (Ellis Rebuttal Testimony Errata) at 15:8-13; *see also id.* at 16:8-12 ("At this time, Frontier does not have funding in place or access to funding for further investment or additional network buildouts in California beyond [2025] other than fiber deployment associated with" subsidy programs.); 16:13-17 ("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…").

[6] TURN Opening Comments at 4. TURN's statement that the Transaction "will result in significantly less infrastructure and benefit to the California consumer than if it had not been approved," *id.* at 1-2, is false and has no support in the record.

[7] *See* Exh. CforAT 6 (Verizon-Cal Advocates Settlement Agreement) at ¶ 2; *see also* Exh. CforAT 5 (Verizon-CETF MOU) at § VI.B.

[8] Proposed Decision at 30.

[9] *See* Pub. Util. Code § 1757(a)(4); *City of Stockton v. Marina Towers LLC*, 171 Cal.App.4th 93, 114 (2009).

[10] *See* Rule 14.3(c).

Applicants explained, given the highly rural nature of the 88 wire centers, it is important that the broadband deployment obligations in Ordering Paragraph 2 not require fiber and remain technology neutral. TURN's suggestion to pile on top additional fiber obligations would only compound the problems presented by the current framing of Ordering Paragraph 2.

To further advance the Commission's consideration of these issues, the Joint Applicants propose an alternative revision to Ordering Paragraph 2. The key change is to add a post-close ministerial process for the Commission to confirm eligibility for certain exceptions to the buildout requirements identified in Ordering Paragraph 2. Here is an updated version of the proposal from our comments to make Ordering Paragraph 2 workable:

2. Within 5 years after transfer of control, Verizon Communications Inc. and Frontier Communications Parent, Inc. (collectively "Verizon") shall deploy broadband infrastructure to all wire centers identified in Appendix D and offer broadband service plans capable of 100 mbps download and 20 mbps upload or greater to all locations served by those wire centers, subject to the following exceptions:

a. Deployment is not required for any location served by another terrestrial high-speed broadband provider, awarded broadband infrastructure grant funding by federal/state grant programs, or to which no customer has requested broadband service.
b. For any location where the fiber deployment cost would meet or exceed $10,000 and available fixed wireless service is not capable of 100 mbps download and 20 mbps upload speeds, Verizon may deploy fixed wireless service capable of 85 mbps download and 10 mbps upload or, subject to Commission approval via Tier 2 Advice Letter, may partner with an alternative service provider (e.g., a satellite provider) to deliver service or shall be excused from deploying to such locations.
c. Verizon may apply to federal and state grants, in addition to utilizing their own capital funds, to deploy to these areas. If Verizon submits bona fide applications to a state grant program for funding to support deployment to any location where the cost exceeds $3,500 (and Verizon agrees to bear at least $3,500 in costs to serve a location) and those applications are declined, Verizon is relieved of its obligation to serve those locations.
d. The time period under this requirement shall be extended to 7 years, provided that Verizon has deployed 25% of the locations in the wire centers on closing by the end of year 3, and 50% by the end of year 5.

Verizon shall submit Tier 2 Advice Letters demonstrating compliance with applicable portions of subsections (b) and (d).

## III. INTERVENORS' ATTEMPTS TO IMPOSE ADDITIONAL COMPLIANCE AND ENFORCEMENT OBLIGATIONS ARE UNFOUNDED.

CforAT and TURN have already received everything they asked for in this proceeding in terms of compliance measures, and they fail to identify transaction-specific harms warranting even further compliance and enforcement measures. CforAT's request to modify Ordering Paragraph 29 (*e.g.*, by "directing" rather than "authorizing" the staff to develop an enforcement program) hinges on CforAT's spurious claim that Verizon has a record of noncompliance with Commission decisions.[11] The tortured rationale for this falsehood is a single instance in which Verizon appropriately followed established Commission procedures to seek modification of a condition in the Commission's TracFone decision when it became apparent that customers could be harmed (by being disconnected) absent modification.[12] Far from "defy[ing]" the Commission, however, Verizon engaged transparently with the Commission and its staff to resolve practical implementation issues while advancing the Commission's objectives.[13]

CforAT also fails to demonstrate that the Commission's proposed enforcement mechanisms are otherwise insufficient.[14] The Proposed Decision adopts robust monitoring and enforcement conditions and expressly retains Commission oversight. There is no basis for CforAT's request to make those conditions even more onerous by extending the compliance period, limiting the procedural vehicles available to bring concerns to the Commission's attention, or imposing heighted

[11] *See* CforAT Opening Comments at 10-11.

[12] *See* Joint Applicants' Reply Brief at 5-6.

[13] *See id.* at 5.

[14] On DEI, CforAT repeats its prior arguments and does not identify any error of law or fact that requires correction. CforAT asks (again) for a condition requiring that Verizon comply with Public Utilities Code Section 8283 and GO 156, but adds its own paraphrase of what those provisions require. *See* CforAT Opening Comments at 5. This is unnecessary. Verizon has made clear that it will comply with both California law and federal law, *see, e.g.*, Joint Applicants' Opening Brief at 22; Joint Applicants' Reply Brief at 17, and the Commission has existing authority to address compliance. Likewise, there is no basis for the additional tribal commitments sought by TURN. Nowhere does TURN argue that the Transaction will cause harm to Tribes that requires additional mitigation measures, nor could it. TURN's assertion that Verizon's spending commitment under Ordering Paragraph 4 should be quintupled to $50 million is yet another demand to pile on to the many commitments that Verizon has already made in this docket. *See* TURN Opening Comments at 7. Ordering Paragraph 4 is based on a voluntary commitment by Verizon and there is no basis in law or fact to increase it by any amount, let alone $40 million, to address a nonexistent harm.

notification requirements that exceed those under the Commission's *ex parte* rules.[15] As explained, CforAT misrepresents the record concerning Verizon's Petition for Modification in the TracFone matter, and its arguments concerning hypothetical future noncompliance rest on unsupported speculation. The Commission's generally applicable rules also continue to apply, and there is no reason to depart from those rules here. Nor could the Commission deprive Verizon of its First Amendment rights to petition the Commission using the established rules and processes.

## IV. CONCLUSION

Joint Applicants respectfully request that the Proposed Decision be revised as reflected herein and urge the Commission to approve this Application on January 15 as scheduled.

Respectfully submitted this 12th day of January, 2026.

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[15] *See* CforAT Opening Comments at 8-11 & Attachment A at 3-4 (proposing revisions to Ordering Paragraphs 29 and 31). CforAT's premise for its request—that Verizon previously "privately negotiated" to avoid the public process—is belied by the record. Verizon pursued formal relief in the TracFone matter while also working transparently with staff to solve a customer-impact issue consistent with Commission goals. The Commission acknowledged those efforts when it adopted Resolution T-17849.

# APPENDIX A

## UPDATED PROPOSED REVISIONS TO ORDERING PARAGRAPH 2 (CHANGES SHOWN AGAINST THE DEC. 16, 2025 PROPOSED DECISION)

(Underline indicates addition; strikethrough indicates removal)

2. Within 5 years after transfer of control, Verizon Communications Inc. ~~(Verizon)~~ and Frontier Communications Parent, Inc. ~~(Frontier)~~(collectively "Verizon") shall deploy broadband infrastructure to all wire centers identified in Appendix D and offer broadband service plans capable of 100 mbps download and 20 mbps upload or greater to all locations served by those wire centers, ~~excluding~~subject to the following exceptions:

e. Deployment is not required for any location~~s~~ ~~upgraded~~served by ~~existing~~another terrestrial high-speed broadband provider, awarded broadband infrastructure grant funding by federal/state grant programs~~.~~, or to which no customer has requested broadband service.

f. For any location where the fiber deployment cost would meet or exceed $10,000 and available fixed wireless service is not capable of 100 mbps download and 20 mbps upload speeds, Verizon ~~and Frontier~~may deploy fixed wireless service capable of 85 mbps download and 10 mbps upload or, subject to Commission approval via Tier 2 Advice Letter, may partner with an alternative service provider (e.g., a satellite provider) to deliver service or shall be excused from deploying to such locations.

g. Verizon may apply to federal and state grants ~~to~~, in addition to utilizing their own capital funds, to deploy to these areas. If Verizon submits bona fide applications to a state grant program for funding to support deployment to any location where the cost exceeds $3,500 (and Verizon agrees to bear at least $3,500 in costs to serve a location) and those applications are declined, Verizon is relieved of its obligation to serve those locations.

h. The time period under this requirement shall be extended to 7 years, provided that Verizon has deployed 25% of the locations in the wire centers on closing by the end of year 3, and 50% by the end of year 5.

Verizon shall submit Tier 2 Advice Letters demonstrating compliance with applicable portions of subsections (b) and (d).