

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

**Communications Division  
Carrier Oversight and Programs Branch**

**RESOLUTION T-17734  
August 19, 2021**

**RESOLUTION**

**RESOLUTION T-17734. Approves the adoption of an Enforcement Program to ensure compliance with the requirements, terms, and conditions pursuant to Decision 21-04-008 by Frontier Communications Corporation and its California local exchange and long-distance subsidiaries.**

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**SUMMARY**

This Resolution approves the adoption of an Enforcement Program under the administration of California Public Utilities Commission (CPUC or Commission) Staff. The Enforcement Program aims to ensure Frontier Communications Corporation and its California local exchange and long-distance subsidiaries namely Frontier California Inc. (U-1002-C), Citizens Telecommunications Company of California Inc. (U-1024-C), Frontier Communications of the Southwest Inc. (U-1026-C), Frontier Communications of America Inc. (U-5429-C), and Frontier Communications Online and Long Distance Inc. (U-7167-C) (collectively "Frontier") comply with its obligation to all of the requirements, terms, and conditions pursuant to Decision (D.) 21-04-008 that approved its transfer of control. This Resolution establishes the rules and processes that apply if Frontier fails to fulfill its obligations pursuant to D. 21-04-008. Additionally, this Resolution describes various roles and responsibilities for implementing this Enforcement Program. Nothing in this Resolution affects the Commission's existing constitutional and statutory authority to pursue enforcement actions for non-compliance by public utilities with any Commission order and requirement.

In November 2020, the Commission adopted Resolution M-4846 establishing guiding principles on enforcement approaches and actions to advance the goals of consistent, firm, meaningful, transparent, and timely enforcement. Resolution M-4846 reinforces the Commission's long-standing history of enforcing statutes, rules, orders, and other regulations applicable to regulated entities for the betterment of the residents of California.<sup>1</sup> This Enforcement Program uses Resolution M-4846's guiding principles.

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<sup>1</sup> See Resolution M-4846 at 2.

## BACKGROUND

On April 14, 2020, Frontier filed for Chapter 11 bankruptcy, which proposed to reorganize its corporate structure among other things (corporate reorganization). On May 22, 2020, Frontier filed an application to transfer the control of its companies. California law requires the Commission to weigh in on situations when there may be a transfer or encumbrance of utility property. The Commission thus opened a proceeding, Application [\(A.\) 20-05-010](#), to review Frontier's application and decide whether to reject or approve it. During this proceeding the Yurok Tribe, California Emerging Technology Fund (CETF), Communications Workers of America District 9 (CWA), The Utility Reform Network (TURN), and the Commission's Public Advocates Office (CAL Advocates) (collectively, "Settling Parties") entered into settlement agreements with Frontier.

On April 15, 2021, the Commission adopted Decision (D.) 21-04-008 that approved with conditions the request of Frontier for approval of its corporate restructuring. The Commission has identified that the approval with conditions of Frontier's request is in the public interest, and therefore, satisfies the requirements to transfer utility property under California Public Utilities Code (PU Code) §854.

Frontier's fulfillment of its obligations from D.21-04-008 will assure that the transfer of control will benefit Californians. These obligations cover a host of issues, including, but not limited to the following: ensuring Frontier timely restore service outages, upgrading the speed of Frontier's broadband Internet access service offerings, expanding Frontier's network infrastructure, and increasing Frontier's engagement with the communities it serves.

The Commission has broad regulatory authority as set forth in PU Code §§701, 702, 2101, and 2107. PU Code §7 states that the any public office of the Commission may authorize Staff to exercise powers and perform duties granted to the officer, unless expressly provided otherwise.<sup>2</sup> These may include the investigation of facts preliminary to agency action, and the issuance of citations for violations, up to specified amounts, subject to appeal to the Commission. This Resolution establishes an Enforcement Program associated with Frontier's corporate reorganization.

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<sup>2</sup> The term "Staff" refers to the portion of the Commission's Staff designated by the Executive Director to carry out the particular function involved.

## DISCUSSION

The Commission needs to establish and communicate the consequences for Frontier in the instances where Frontier does not fulfill its obligations. Except as outlined in the section immediately below, if Frontier does not fulfill its obligations, including those from the Settlement Agreements, the monetary fine for Frontier will not exceed \$14 million a month for each obligation it fails to meet. All of the consequences in this Resolution are in addition to any existing Commission requirements and to the Settlement Agreements. This Resolution also lays out the enforcement-related processes for the purposes of clarity and transparency. Staff can take more immediate action to address and correct Frontier's non-compliance, while simultaneously providing a clear process for Frontier to contest or appeal violations. This Enforcement Program explicitly gives the parties that settled with Frontier the opportunity to influence the appropriate remedies (except as already determined by this Resolution in the section called, "Consequences of Not Fulfilling Obligations," immediately below), as applicable, for the Commission to choose when Frontier does not fulfill an obligation.

This Enforcement Program also ensures that the Commission properly notify Frontier in writing of compliance problems. In addition, Frontier will have the opportunity to satisfy the consequence of its failure to fulfill an obligation, to bring itself into compliance, and to advise the Commission (and the parties that settled with Frontier) of any error(s) in an evaluation and conclusion of compliance (or lack thereof). Frontier also will have the chance to appeal the violation and the applicable consequence pursuant to Resolution ALJ-377.

Frontier may also request an extension of a deadline to achieve compliance for each obligation. Staff can grant a one-time extension of up to 60 calendar days for additional time for Frontier to achieve compliance of an obligation if Frontier makes a written request to the Director of the Communications Division (CD) 30 calendar days before the expiration of the compliance deadline.

Staff cannot automatically grant a request to extend the deadline to comply with an obligation. Frontier must demonstrate good cause for the additional time requested to correct a violation and show a good-faith effort to correct the violation for which Frontier requested an extension. If Staff grants an extension to fulfill an obligation, then Staff will set a new compliance deadline. Otherwise, Frontier must pay the monetary fine for the violation by the due date as stated in the "Notice of Violation," as applicable, if Frontier failed to fulfill an obligation.

## I. Consequences of Not Fulfilling Obligations

### A. *Timely Restoring Service Outages*

Restoring outages in a timely manner is critical in the provision of high quality and reliable communications services. The Commission established uniform minimum standards of service to be observed in the operation of public utility telephone corporations. A key measure the Commission uses to determine the quality of service provided by a telephone corporation is the “Out of Service (OOS) Repair Interval.” The OOS Repair Interval measures the average interval between the time a telephone corporation responds to an OOS trouble report and the restoration of the telephone service. The Commission defined a telephone service outage in G.O. 133-D §1.3.r. as a telephone line without a dial tone. The Commission set a standard for the telephone corporation to restore a minimum of 90% of their OOS trouble reports within 24 hours (excluding all or parts of outages occurring on Sundays, federal holidays, and catastrophic events and widespread outages that are beyond a telephone corporation’s control). Determining whether Frontier failed to resolve a minimum 90% of OOS trouble reports within 24 hours will be based on its companywide OOS results.

If Frontier does not meet the obligation to repair at least 90% of its OOS trouble reports within 24 hours for any month between October 1, 2021 and September 30, 2025, then it will need to pay the relevant monthly monetary fines.<sup>3</sup> Frontier will need to pay \$1,000,000 for every month its OOS performance is at least 80 percent but less than 90 percent. Frontier will need to pay \$5,000,000 for every month its OOS performance is at least 70 percent but less than 80 percent. Frontier will need to pay \$10,000,000 for every month its OOS performance is at least 60 percent but less than 70 percent. Frontier will need to pay \$15,000,000 for every month its OOS performance is less than 60% percent. Frontier will need to pay the sum of these relevant amounts by the last day of the calendar quarter following the quarter in which the obligation arose. For example, payment for obligations that arise in July, August, and September 2021 shall be due by December 31, 2021. Most importantly, Frontier cannot use these relevant amounts to improve its network infrastructure.

If the Commission, subsequently, (i.e., after this Resolution) alters the rules related to ensuring the quality and reliability of communication services in a successor Commission rulemaking or decision(s), the Commission can choose, at that time, to maintain the service quality related provisions adopted in this Resolution or to rely upon the new service quality and reliability related rules.

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<sup>3</sup> See Appendix A of this Resolution for some example calculations.

*B. Improving the Speeds of Broadband Internet Access Services for Infrastructure Projects Supported by the California Advanced Services Fund*

The Commission is committed to improving access to broadband Internet access services in unserved and underserved areas of California. Frontier must deploy and deem all middle mile infrastructure included as part of an approved California Advanced Services Fund (CASF) Infrastructure Grant project, specifically, Resolution T-17671 Northeast Phase I and Resolution T-17613 Lytle Creek, to be open access. Open access requires the middle mile infrastructure be made available to independent service providers or other entities for non-discriminatory on reasonable and equal terms. Frontier must provision this open access for both of these CASF Infrastructure Grant projects by the deadlines set forth in Ordering Paragraph 4.(r) of D.21-04-008, and continue to do so for the life of the infrastructure of each of these CASF Infrastructure Grant projects.

Frontier must also deploy Fiber to the Home or, at minimum, provide 25/3 megabits per second to all households in the CASF Infrastructure Grant project areas in Resolution T-17660 Weimar, Resolution T-17668 Taft Cluster and Resolution T-17671 Northeast Phase I (Northeast). In Ordering Paragraph 4.(q) of D.21-04-008, the Commission established the deadlines by which Frontier must deploy broadband Internet access services at the required speed. For the Weimar and Taft Cluster project areas, Frontier must complete the deployment by April 15, 2022. In contrast, for the Northeast project area, the Commission retained the deadline from Resolution T-17671, which is for “Frontier to complete the project within 24 months from the start date (whereby the applicants have secured CEQA approval from the Commission and all required permits).”<sup>4</sup>

If Frontier does not fulfill any of these obligations, then Frontier must reimburse the Commission for all of the CASF Infrastructure Grant funds that it has received for the relevant project area(s).

Additionally, if Frontier has already reimbursed the Commission for the CASF Infrastructure Grant funds provided to Frontier, but Frontier continues to fail to comply with any of these CASF-related obligations, then Frontier must pay \$50,000 for every month it violates an obligation related to each of the aforementioned CASF Infrastructure Grant projects. Frontier will need to pay the relevant monthly amount by the last day of the month following the month in which the obligation arose.

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<sup>4</sup> See Resolution T-17671 at 13.

### *C. Timely Reporting<sup>5</sup>*

When a utility submits a document late, the Commission has previously defined a monetary consequence of the utility paying \$1,000 a day per document.<sup>6</sup> Timely reporting by Frontier is important in adequately monitoring Frontier's post-Restructuring activities. Frontier will need to pay \$30,000 per month per utility number for each late or incomplete submission of a report.

Frontier will have a grace period of five calendar days after the relevant report's deadline. The Commission will not conclude Frontier has failed to fulfill a reporting requirement until after the grace period. Frontier has to pay the applicable payment amount within 30 calendar days of filing the complete report along with a cover letter. Within this cover letter, Frontier will provide the utility number, the proceeding number of A.20-05-010, the report's name, the number of calendar days beyond the deadline of the report, the amount enclosed if the report is late or incomplete, and a statement recognizing the late or incomplete submission (as applicable).

### *D. Fully Completing and Submitting Timely Responses to Data Requests*

The Commission routinely needs to issue requests for information to utilities such as Frontier. Timely and complete submission of information by Frontier is important in adequately monitoring Frontier's post-Restructuring activities. Frontier shall pay \$60,000 per month for each of its utility numbers for each late or incomplete submission of a response to a data request.

Frontier will have a grace period of five calendar days after the relevant data request's deadline. The Commission will not conclude Frontier has failed to fully and timely complete and submit a response to a data request until after the expiration of the grace period. Frontier has to pay the applicable amount within 30 calendar days of submitting the completed data request response along with a cover letter. Within this cover letter, Frontier will provide the utility number, the proceeding number of A.20-05-010, the data request's name or number, the number of calendar days beyond the deadline of the data request response, the amount enclosed if the data request response is late or incomplete, and a statement recognizing the late or incomplete submission (as applicable).

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<sup>5</sup> See Appendix B of this Resolution for information about some recurring reports.

<sup>6</sup> See Resolution T-17601 at 4 and A-1.

### *E. Timely Payments*

The Commission has also created an existing practice of assessing the utility a monthly late payment fee of 10 percent for each late payment.<sup>7</sup> Timely submission of payments by Frontier is critical in our meaningful and timely enforcement actions. Staff will separately provide instructions to Frontier for submitting the payments. The Commission will assess a monthly late payment fee of 10 percent. A payment will be considered late if it is received after the applicable due date. As necessary, the Commission may consider additional enforcement actions.

## II. Processes Related to Implementing the Enforcement Program

### *A. Compliance Monitor<sup>8</sup>*

At the expense of Frontier, the Commission's Communications Division will hire an independent monitor (Compliance Monitor) to assist in reviewing Frontier's compliance with the terms, requirements, and conditions of D.21-04-008. Within 15 days after receipt of notice from the Staff, Frontier will provide the amounts specified by Staff reflecting the fees and expenses of the Compliance Monitor. Within 45 days after the end of each calendar quarter, Frontier shall submit to the Compliance Monitor and to [cdcompliance@cpuc.ca.gov](mailto:cdcompliance@cpuc.ca.gov) compliance reports in a format designed by Staff that will be treated as public information.<sup>9</sup>

The Compliance Monitor will meet with Staff at least four times per year and at other times as requested by Staff to report on Frontier's compliance with the terms, requirements, and conditions of this Decision and will submit recurring (e.g., semi-annual) and ad-hoc reports to Staff regarding Frontier's compliance with the requirements and conditions of this Decision.

If Frontier is not in compliance with any requirement or condition, the Compliance Monitor will recommend a penalty to bring Frontier into compliance and forward findings and a recommendation to the Commission's Communications Division's Director at [cdcompliance@cpuc.ca.gov](mailto:cdcompliance@cpuc.ca.gov). The Compliance Monitor can take into consideration these three items: 1). input from the parties that settled with Frontier, 2). guidelines from M-4846, and 3). the consequences delineated in this Resolution, in devising its recommendations to the Commission's Communications Division's Director.

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<sup>7</sup> See Resolution T-17601 at 6.

<sup>8</sup> See Appendix C of this Resolution for the scope of work associated with the Compliance Monitor.

<sup>9</sup> See GO 66-D and D.16-08-024 regarding the Commission's process for handling claims of confidentiality.

### *B. Involvement of Parties Settling with Frontier*

The Settlement Agreements established in detail the roles and responsibilities of the Settling Parties in terms of monitoring, collaborating, and engaging with Frontier. We encourage the Settling Parties to independently resolve their issues to the best of their abilities. Settling Parties also have the option of suggesting consequences to the Compliance Monitor for each obligation that Frontier has not fulfilled beyond those consequences as specified above. When suggesting additional consequences to the Compliance Monitor, these Settling Parties would need to provide supporting documentation and justification to the Compliance Monitor. The Compliance Monitor will then verify the assertion of Frontier's failure to fulfill the corresponding obligation.

The Settling Parties also have the ability to pursue remedies of their own accord with the Commission instead of with the Compliance Monitor, as they deem appropriate.<sup>10</sup> If Frontier fails to perform its respective obligations under any of the Settlement Agreements, after reasonable notice and opportunity to cure its default, any other Party to the Settlement Agreements may come before the Commission to pursue a remedy, including enforcement. As duly recognized in each of the Settlement Agreements, the Commission has plenary authority to enforce the Settlement Agreements and its own rules.

### *C. Notifying Frontier of Payments that are Due<sup>11</sup>*

Staff will primarily use written communications to notify Frontier of payments that are due.<sup>12</sup> Staff may issue a Warning Letter or email, citation, Notice of Violation or refer a case for other enforcement action.

#### 1. In Person or Telephone Communications

Staff may, but is not required to, inform regulated entities in person or by telephone of violations or of violations that must be corrected. Staff may also orally inform regulated entities of weaknesses, safety concerns, or opportunities for improvement that are not violations but should be corrected to avoid a violation or to reduce safety risk. Staff will keep a detailed written record of such oral communications with the regulated entity in the case file. The minimum requirements for documenting an oral communication with a regulated entity are:

- a) Date and time of the communication;
- b) The name of the Staff member[s] and the representative[s] of the regulated entity involved in the communication;

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<sup>10</sup> See each of the settlement agreements attached in D.21-04-008.

<sup>11</sup> See Attachment of Resolution M-4846.

<sup>12</sup> Staff may delegate this minor task to the Compliance Monitor as appropriate.



- c) The violation, weakness, safety concern, or opportunity for improvement that was discussed;
- d) Actions for correcting the violation or addressing the weakness, safety concern, or opportunity for improvement that were discussed, including required timeframes for completing such actions;
- e) The regulated entity's response to the communication of the violation, weakness, safety concern, or opportunity for improvement; and
- f) The evaluation of whether the response is sufficient and/or warrants a follow-up investigation.

All oral communications will be memorialized in a warning email or letter, Notice of Violation, or other written communication. Oral communications are not required in every case.

## 2. [Warning Letter or Email](#)<sup>13</sup>

Staff may send a regulated entity a letter or an email that identifies program weaknesses, safety concerns, or opportunities for improvement. A Warning Letter or Email should only be sent to a regulated entity to address issues that are not being cited as violations but should be corrected to avoid a citation or Notice of Violation or to reduce a safety risk. Staff will verify delivery of the Warning Letter or Email using a Proof of Service form. A Warning Letter or Email will be placed in the regulated entity case file and recorded in the enforcement database and will include the following:

- a) The date the letter or email was sent;
- b) The date Staff identified the situation or condition at issue;
- c) The circumstances under which Staff identified the situation or condition at issue (e.g., during an inspection or by consumer complaint);
- d) Actions recommended to address the situation or condition at issue, including any recommended timeframes to complete such actions; and
- e) Request for Information.

Staff are authorized to inspect the accounts, books, papers, and documents of a regulated entity.<sup>14</sup> Staff may request the production of accounts, books, papers, and documents of a regulated entity. Failure to make such records available may lead to the issuance of a subpoena or other enforcement action.<sup>15</sup>

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<sup>13</sup> *Id.*

<sup>14</sup> *See* PU Code §312.

<sup>15</sup> *See* PU Code §311.

### 3. [Notice of Violation](#)<sup>16</sup>

When a violation is identified, Staff may issue a Notice of Violation to a regulated entity. Staff will use a Notice of Violation form. Staff will verify delivery of the Notice of Violation using a Proof of Service form. A Notice of Violation will be placed in the regulated entity case file and recorded in the enforcement database and will include:

- a) The law or Commission order, decision or rule violated by the regulated entity;
- b) The facts that form the basis for each violation;
- c) Information related to the potential for additional or ongoing violations;
- d) A directive to correct each violation to avoid additional enforcement action;
- e) A date by which the regulated entity must submit a plan for correcting each violation if a plan is appropriate;
- f) A date by which the regulated entity must certify that each violation has been corrected;
- g) A penalty amount if the Notice of Violation includes a penalty;
- h) Staff contact information; and
- i) Information about how to respond to the Notice of Violation.

A regulated entity that receives a Notice of Violation will be given an opportunity to respond in writing to that Notice of Violation. The response will be provided to the enforcing division within 30 days from the date the Notice of Violation was served upon the regulated entity. The response time may be extended or shortened by Staff, depending on the exigencies of a case. The response will include:

- a) If the regulated entity disputes that a violation has occurred, a statement of the facts upon which the dispute is based;
- b) A plan to correct any undisputed violations;
- c) Confirmation that the regulated entity will correct any undisputed violations by the date(s) specified in the Notice of Violation or a proposal for a later date with an explanation of the need for additional time; and
- d) Confirmation that a penalty assessed will be paid within 30 days of the issuance of the Notice of Violation or a proposal for a lower penalty amount with an explanation of why the lower amount is appropriate.

Staff will review the regulated entity's response to a Notice of Violation and consider the regulated entity's explanation or defenses. Staff will determine whether to accept the response or proceed with additional enforcement. The reasons for a determination that the regulated entity's explanation or defenses lack merit should be included in the

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<sup>16</sup> See Attachment of Resolution M-4846.

regulated entity case file. After reviewing the response, Staff may take any appropriate action including any of the following actions:

- i. Request that the regulated entity provide additional information;
- ii. Take the next appropriate enforcement action; and
- iii. Notify the regulated entity that the response resolved one or more violations identified in the Notice of Violation.

*D. Stronger Types of Enforcement Actions for the Commission's Consideration*

Staff may pursue different levels of enforcement action.<sup>17</sup> In some cases, an enforcement response, such as an oral communication followed by a Warning Letter or Email or a Notice of Violation, will be enough.<sup>18</sup> Other cases may warrant a stronger enforcement action in lieu of or in addition to a warning or other initial enforcement response.<sup>19</sup> Pursuant to Resolution M-4846, Staff may draft, as applicable, proposed Administrative Consent Orders and Administrative Enforcement Orders, subject to Commission review and disposition. When Staff considers drafting either a proposed Administrative Consent Order and Administrative Enforcement Order, they should follow the guidelines and process in Resolution M-4846.

However, proposed Administrative Consent Orders are unnecessary for those consequences (i.e., the section called, "Consequences of Not Fulfilling Obligations") of this Resolution already, specifically, identifies. The Commission has a finite set of resources; thus Staff do not need to negotiate any proposed settlements or draft any orders as an enforcement action for the consequences described in the section called, "Consequences of Not Fulfilling Obligations," in this Resolution.

Additionally, Staff or the Commission have other types of enforcement actions at its disposal such as the following: a) issuing an Order Instituting Investigation or Order to Show Cause; b) suspending, altering, amending, or revoking the license or certification of a regulated entity; c) filing a civil or criminal action against the regulated entity.

The Settling Parties may also inform the Commission (or its Staff) of Frontier's failure to fulfill its obligations for the corporate reorganization and seek action from the Commission (or its Staff) to compel compliance from Frontier.

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<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

<sup>19</sup> *Id.*

*E. Frontier's Ability to Appeal Violations and the Consequences Associated with Failing to Fulfill its Obligations*

Pursuant to Resolution ALJ-377, Frontier may appeal violations and the consequences of its failure to meet any of its obligations.

*F. Transparency*

Communications Division will publish the following items (excluding information and documents of which the Commission grants confidential treatment consistent with D.16-08-024) related to Frontier's fulfillment of their obligations pursuant to their corporate reorganization on the Commission's Web site at <https://www.cpuc.ca.gov/General.aspx?id=6442465774>:

- a) reports developed by the Compliance Monitor;
- b) recurring and ad hoc reports submitted by each of Frontier's relevant utility numbers;
- c) each instance in which Frontier failed to fulfill their obligations pursuant to their corporate reorganization;
- d) each applicable consequence faced by Frontier; and
- e) other enforcement actions taken by the Commission.

## **SAFETY CONSIDERATIONS**

It is the policy of the Commission that every violation should result in an appropriate enforcement action consistent with the priority of the violation.<sup>20</sup> In recognition of its finite resources, the Commission exercises its enforcement discretion to prioritize enforcement actions.<sup>21</sup> Enforcement prioritization enhances the Commission's ability to leverage its finite enforcement resources and to achieve the general deterrence needed to encourage the regulated entity to anticipate, identify and correct violations.<sup>22</sup> This Resolution establishes the largest monetary consequence for instances when Frontier fails to timely restore service outages. The Enforcement Program prioritizes the importance of ensuring that the communities of which Frontier serves will have reliable access to 911 services, 211 services, and the capability to receive emergency alerts and notifications.

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<sup>20</sup> See Resolution M-4846.

<sup>21</sup> *Id.*

<sup>22</sup> *Id.*

## COMMENTS ON PROPOSED RESOLUTION

In compliance with P.U. Code § 311(g), a notice letter was emailed on July 16, 2021 informing interested parties of the availability of the draft of this Resolution for public comments at the Commission's website <http://www.cpuc.ca.gov>. This letter also informed parties that the final Resolution adopted by the Commission will be posted and will be available at the same website.

## FINDINGS AND CONCLUSIONS

1. Public Utilities Code §7 indicates whenever a power is granted to, or a duty is imposed upon, a public officer, the power may be exercised or the duty may be performed by a deputy of the officer or by a person authorized, pursuant to law, by the officer, unless this code expressly provides otherwise.
2. Public Utilities Code §701 authorizes the Commission to supervise and regulate every public utility in the State. It also authorizes the Commission to do all things, whether specifically designated in this part or in addition thereto, which are necessary and convenient in the exercise of such power and jurisdiction.
3. Public Utilities Code §702 mandates every public utility to obey and comply with every Commission order, decision, direction, or rule.
4. Public Utilities Code §2101 mandates the Commission shall ensure that the provisions of the Constitution and statutes affecting public utilities are enforced and obeyed. The Commission must also ensure that violations thereof are promptly prosecuted and penalties due the State therefor recovered and collected, and to this end the Commission may sue in the name of the people of the State of California.
5. Public Utilities Code §2107 mandates that utilities are subject to a minimum penalty of five hundred dollars (\$500) and a maximum penalty of fifty thousand dollars (\$50,000) for each offense (i.e., instance of non-compliance or violation of any provision of the Constitution of this state or any part or provision of any Commission order, decision, decree, rule, direction, demand, or requirement) in cases in which a penalty has not otherwise been provided.
6. An enforcement program will encourage compliance with Commission requirements, provide Staff with an additional tool to address non-compliance, and will allow the Commission to take prompt action.
7. The establishment of an enforcement program does not prevent the Commission from taking other necessary enforcement actions including revoking the utility's Certificate of Public Convenience and Necessity and/or registration licenses.

8. The enforcement program does not affect a subscriber's private right of action.
9. The enforcement program gives the utility the right to appeal (as stipulated in Resolution ALJ-299) notices of violations and consequences for non-compliance.
10. Decision 16-08-024 describes the process for submitting potentially confidential documents to the Commission.

**THEREFORE, IT IS ORDERED** that:

1. The Commission hereby adopt the enforcement program in this Resolution to govern the instances in which Frontier fails to meet and fulfill their obligations pursuant to their corporate reorganization pursuant to D. 21-04-008.
2. The Commission authorize CD Staff to implement the enforcement program in this Resolution.

This Resolution is effective today.

I hereby certify that the Public Utilities Commission adopted this Resolution at its regular meeting on \_\_\_\_\_. The following Commissioners adopted it:


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Rachel Peterson  
Executive Director

APPENDIX A

EXAMPLES OF PAYMENTS FRONTIER NEEDS TO MAKE ASSUMING REPAIR RATE OF AT LEAST 80% BUT LESS THAN 90%												
APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	AMOUNT
1		1		1		1		1		1		= 6 months X \$1 million = \$6 million
1	1	1										= 3 months X \$1 million = \$3 million
					1							= 1 month X \$1 million = \$1 million
			1	1		1	1		1	1		= 6 months X \$1 million = \$6 million
1		1	1	1	1	1	1		1	1	1	= 10 months X \$1 million = \$10 million

Key

 Represents a month in which Frontier did not meet the Out of Service Standard of at least 90%

END OF APPENDIX A

**APPENDIX B**

	<b>Frequency of Recurring Report</b>		
	<b>Monthly</b>	<b>Quarterly</b>	<b>Annual</b>
Deadline for Submission of Report	15 calendar days after the end of the reporting month	45 calendar days after the end of the reporting quarter	February 1 after the end of the reporting year (unless otherwise specified)
Grace Period After the Deadline	5 calendar days	5 calendar days	5 calendar days
Citation Amount for Late or Incomplete Submission of Report	\$30,000 a month per report and per utility number	\$30,000 a month per report and per utility number	\$30,000 a month per report and per utility number
Deadline for Giving the CPUC the Citation Amount	Within 30 calendar days of filing the complete report along with a cover letter	Within 30 calendar days of filing the complete report along with a cover letter	Within 30 calendar days of filing the complete report along with a cover letter
Content of Cover Letter	a) Utility Number b) A2005010 as the proceeding number c) Number of calendar days beyond the deadline of the report d) Citation amount e) Statement recognizing the late submission	a) Utility Number b) A2005010 as the proceeding number c) Number of calendar days beyond the deadline of the report d) Citation amount e) Statement recognizing the late submission	a) Utility Number b) A2005010 as the proceeding c) Number of calendar days beyond the deadline of the report d) Citation amount e) Statement recognizing the late submission

**END OF APPENDIX B**



**APPENDIX C**  
**STATEMENT OF WORK FOR COMPLIANCE MONITOR**  
**PURSUANT TO DECISION (D). 21-04-008**

The Compliance Monitor will be responsible for reviewing Frontier's reports and making findings on Frontier's compliance with, and progress toward, the terms, requirements, and conditions within D.21-04-008. The Compliance Monitor will also be responsible for reporting these findings to the Communications Division (CD).

The Compliance Monitor, will perform the following:

- A. Review all the terms, requirements, and conditions that Frontier is required to meet under D.21-04-008 and the settlement agreements.
- B. Establish a clear and effective methodology to track and verify all the terms, requirements, and conditions that Frontier is required to meet under D.21-04-008 and the settlement agreements.
- C. Identify documentation needs for verifying Frontier's progress towards fulfilling each obligation. If the existing reporting requirements are sufficient, then the compliance monitor should state this opinion in writing.
- D. Seek approval of any recommendations, documents, documentation needs, approaches, and processes from Staff.
- E. Work with CD staff to design and establish the compliance report formats that Frontier will use to submit to the Compliance Monitor and to [cdcompliance@cpuc.ca.gov](mailto:cdcompliance@cpuc.ca.gov).
- F. Collect and retain all documents in an organized and centralized location filed by Frontier in response to the terms, requirements, and conditions that Frontier is required to meet under D.21-04-008 and the settlement agreements. The centralized location will be secured and accessible to CPUC staff (e.g., shared CPUC network folder).
- G. Develop and retain a log of communications with Frontier and/or the entities settling with Frontier.
- H. Timely report all findings (within 5 days of the deadline) so that the CPUC can ascertain whether Frontier is meeting the milestones and requirements in the decision and settlement agreements and take appropriate action.
- I. Submit progress reports to CD staff on a semi-annual basis and at other times as requested by staff (if staff determines follow-up reports are needed) regarding

Frontier's compliance with the terms, requirements, and conditions of D.21-04-008.

- J. Develop content for public dissemination on the Commission's Web site about Frontier's compliance with the terms, requirements, and conditions of D.21-04-008.
- K. Assist the Commission with enforcement of the terms, requirements, and conditions throughout D.21-04-008.
- L. Develop rationale for suggesting the consequences by which to hold Frontier accountable.
- M. Implement the Enforcement Program pursuant to the adopted Resolution T-17734.
- N. If and when the Compliance Monitor concludes that Frontier is not in compliance with any requirement or condition of an Ordering Paragraph from D.21-04-008, the Compliance Monitor may recommend a penalty to bring Frontier into compliance and forward findings and a recommendation to the Commission's CD Director at [cdcompliance@cpuc.ca.gov](mailto:cdcompliance@cpuc.ca.gov).
- O. Review and validate infrastructure investments that may include but not limited to performing field/onsite visits and other methods appropriate assist in ensuring to goals are met.
- P. Meet with CD and CPUC Staff to report on Frontier's compliance in terms, requirements, and conditions of the D.21-04-008.
- Q. Participate and attend external (e.g., community outreach, tribal discussions, CWA/TURN/CalAdvocates, and Frontier) stakeholder meetings (in person or remotely) on behalf of CD.
- R. Ensure close and frequent contact with Frontier as necessary, as well as, with the CPUC, to be able to report to the Commission reasoned findings about Frontier's compliance with the Decision's requirements.

**END OF APPENDIX C**