

**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
(Filed October 18, 2024)

Supplemental Testimony from Panel Witnesses

Tom Nugent, Paul Sullivan, Paul Vasington, and Allison Ellis

On Behalf of Joint Applicants

[Public Version]

April 25, 2025

TABLE OF CONTENTS

A. “Plain Old Telephone Service” (POTS) [Vasington, Ellis]	2
B. Merger Agreement [Vasington, Ellis]	7
C. Fifth Generation Wireless Technology (5G) [Sullivan]	8
D. Rural Service [Sullivan, Ellis]	8
E. Legacy Network Migration [Sullivan]	11
F. Systems Integration [Nugent]	13
G. Fiber Infrastructure [Sullivan, Ellis]	15
H. Lifeline [Nugent]	19
I. Terms and Conditions [Nugent]	21
J. Retail Stores [Nugent]	22
K. Fixed Wireless [Sullivan]	23
L. Prepaid Plans [Nugent]	23

INTRODUCTION

Q: What is the purpose of this testimony?

A: On March 26, 2025, Administrative Law Judge Elizabeth Fox directed Verizon and Frontier to provide responses to a list of questions in supplemental testimony to be filed within 30 days of the issuance of the ruling. This panel testimony addresses the questions and provides the information requested in that ruling.

Q: Who is providing the testimony?

A: The same panel of witnesses—Tom Nugent, Paul Sullivan, and Paul Vasington—that offered Verizon’s initial testimony will testify here for Verizon. Allison Ellis will sponsor the portions of this panel testimony that are specific to the Frontier applicants (“Frontier”).¹ Specifically, Ms. Ellis is responsible for portions of the answers to Questions A.3, B.2, D.5, G.1, and G.2. All other questions are sponsored by the panel of Verizon witnesses as identified.

Q: What role did each witness play in the preparation of the testimony?

A: The Verizon witnesses are generally responsible for the subject matter areas described in their initial testimony. While all three Verizon witnesses have reviewed and supported this testimony in its entirety, each witness assumed primary responsibility for specific segments of the testimony, and the primary witness responsible for each lettered subject matter area is indicated with the witness’ last name added in parentheses. Each witness has relied on the facts and analyses developed by the other witnesses in their areas of primary responsibility. Ms. Ellis is responsible for the portions of the testimony that come from Frontier, as specifically denoted herein.

Q. Does this panel testimony include confidential material?

A. There is some confidential material included with this panel testimony. Most of the confidential material appears in specifically-marked confidential exhibits, but some limited portions of this narrative also touch on confidential material. Where confidential material arises in the narrative, it is specifically denoted with confidentiality markings, leaving the non-

¹ The Frontier applicants are 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.

1 confidential materials public. There are also some limited exhibits that have been marked as
2 “confidential lawyers only”, which signifies that the materials are confidential even between the
3 parties. Specifically, **Verizon Confidential Lawyers Only Exhibits 2, 4, 5, and 7** contain
4 confidential lawyers only materials from Verizon that the Joint Applicants agree should not be
5 shared with Frontier through this testimony. To facilitate a clean series of submissions of the
6 materials in this supplemental testimony, three full versions have been prepared and will be
7 submitted: (1) a public version with all confidential and lawyers only material redacted; (2) a
8 confidential version, with confidential material unredacted and available to the Commission and
9 parties who have signed appropriate non-disclosure agreements, but with lawyers only material
10 redacted; (3) a lawyers only version that is similar to the confidential version except that it
11 includes the lawyers only material in unredacted format, to be distributed to the Commission
12 recipients and parties who have signed appropriate non-disclosure agreements, but not
13 distributed to Frontier.

14 **A. “PLAIN OLD TELEPHONE SERVICE” (POTS) [VASINGTON, ELLIS]**

15 **Q: 1. Verizon, describe in detail the strategy for transitioning, maintaining and/or**
16 **administering POTS customers currently subscribed to Frontier.**

17 **A: Paul Vasington:** As an initial matter, customers have been switching from traditional
18 telephone service or “POTS” to alternatives such as wireless or IP-based voice for many years in
19 California and across the country. The goal of telephone companies should be to retain existing
20 customers and attract new ones by offering desired services and maximizing the reliability and
21 quality of the services offered at reasonable prices. Although traditional telephone service will
22 continue to be an element of the Frontier companies’ forward-looking portfolio of services,
23 customer migration to alternatives is a manifestation of customer choice, technology evolution,
24 and the pro-competitive regulatory framework that policymakers have successfully implemented
25 in California.² That said, the following discussion focuses on general strategies that can be
26 utilized to attract and retain customers.

² See D.06-08-030, 2006 Cal PUC LEXIS 367, *54 (“California statutes also call for regulators to adopt technologically and competitively neutral policies that encourage increased access to and usage of advanced telecommunication services”); see also D.08-11-033, 2008 Cal. PUC LEXIS 443, *21 (“The Commission has a strong interest in advancing policies that promote the widespread availability of

1 Verizon has a three-pronged strategy for transitioning, maintaining, and/or administering POTS
2 customers currently subscribed to Frontier.

3 First, Verizon will ensure safe, adequate, and reliable service for POTS customers currently
4 served over copper facilities. Second, Verizon will continue Frontier's efforts to transition
5 customers from services provided over copper facilities to the fiber network. Third, Verizon will
6 look in the future to explore alternative technologies that will provide good service and ensure
7 appropriate regulatory oversight.

8 On the first prong, minimizing losses of existing customers and attracting new customers is
9 largely a function of providing attractive service offerings responsive to customer demand, at
10 attractive prices, and meeting customers' expectations for the quality and reliability of the
11 services. Improving the strength and capabilities of Frontier's network throughout its footprint
12 by leveraging Frontier's upgrades and expansion of its fiber network and delivering quality
13 products and services to customers will differentiate and give the companies the capability to
14 grow and retain customers, as will the pricing and bundling measures discussed in our opening
15 testimony.

16 Verizon will take reasonable steps to ensure that Frontier's entire network, including those
17 portions served by copper facilities, is healthy and will deploy the resources necessary to ensure
18 that Frontier customers who are served by that network receive quality service consistent with
19 Verizon's standards, which will benefit Frontier customers in the California footprint. As part of
20 this review, Verizon will determine how best to address Frontier's service quality and
21 compliance with General Order 133's service metrics.

22 Verizon has the right technology, tools, and training to offer safe, adequate, and reliable service
23 in California. Many of the tools Verizon has described apply to copper as well as fiber networks.

24 Verizon's Network Reliability Program comprehensively and proactively addresses key
25 infrastructure functions that support its network centers. Under this program, Verizon performs
26 monthly and annual tests and routines on back-up power systems, including batteries and

broadband networks (including fiber deployment) to ensure global competitiveness and economic development in our State."), and *22 (We believe that imposing a substantial and onerous process for approving copper retirements would delay fiber system deployment without providing major benefits to competition or consumers.")

1 generators, to ensure they are operational for emergency situations. The Network Reliability
2 Program also includes ensuring proper network alarms and surveillance, circuit diversity, and
3 failover testing.

4 Verizon utilizes multiple centralized network operations centers (also referred to as network
5 management centers) for remote administration, surveillance, and maintenance of Verizon's
6 central offices, technical facilities, and field locations, to ensure consistent quality of service for
7 its customers.

8 Verizon also maintains a comprehensive and robust safety program applied to both copper and
9 fiber facilities that proactively addresses work environments and their potential hazards.

10 Verizon also offers best-in-class training for its technicians, including instructor-led courses that
11 are aligned with industry best practices for maintenance of both copper and fiber facilities. The
12 program includes 13 mobile classroom labs that can be moved to where learners are located and
13 employs an "experiential learning approach," allowing learners to develop skills with maximum
14 retention by performing training in detailed learning laboratories that mirrors the on-the-job
15 experience. Verizon's Reliability Matters training aims to train employees to ensure they have all
16 the resources they need before interacting with the network, to pause during network activity to
17 ensure actions are going according to plan, and to confirm once complete that the intended result
18 was achieved.

19 The technology that Verizon brings to its fiber and copper networks results in fewer customer
20 calls regarding service issues, and Verizon's tools ensure that more problems get resolved
21 without dispatches. Following the close of the Transaction, Verizon will conduct an in-depth
22 audit of Frontier's fiber and copper networks and deploy the resources necessary to ensure that
23 Frontier customers who are served by that network receive quality service consistent with
24 Verizon's standards.

25 Verizon will consider implementing any programs that will ensure high service quality and
26 improve the customer experience, including utilizing the T Zone approach to identify any
27 abnormal plant conditions. Under this approach technicians inspect the plant conditions in their
28 work zone, including one pole section in both directions. They then document and report any
29 issues in order to address/correct any issues. We anticipate following a similar approach
30 throughout the Frontier service areas once the transaction closes.

1 All of these efforts will allow us to meet our commitment to provide safe, reliable, and
2 affordable service to customers being served over copper facilities.

3 Second, with respect to the transition from copper to fiber facilities, Verizon has addressed
4 copper network retirement in its own ILEC service territories by building fiber and following the
5 FCC's copper retirement rules and migrating customers to fiber network facilities, with the
6 option of retaining their regulated basic voice service. The network transformation program has
7 been very successful. This program began in 2014 and is underway in Verizon's nine ILEC
8 states and the District of Columbia. This migration to fiber results in significant consumer
9 benefits, including improved reliability and resistance to weather, faster repair times, expanded
10 product options, and higher bandwidth for broadband, as this Commission also has observed.³

11 In implementing this program, Verizon complies with the existing federal rules regarding
12 notifications related to transition from copper to fiber. *See* 47 C.F.R. § 51.333. Verizon also
13 complies with any additional state or local requirements. In most states where it serves as the
14 ILEC, Verizon has a policy, although not always required by law or regulation, to notify a
15 customer a significant number of times via a letter, phone call, or postcard regarding the planned
16 migration. These notifications inform the customer of the need to migrate to fiber, asking the
17 customer to make an appointment by a specific date, and informing the customer that failure to
18 contact Verizon by that date will result in suspension of service. Verizon's standard notification
19 process allows a 45-day timeframe for the customer to place a migration order. As long as a
20 customer calls Verizon prior to the date in the notification to place an order, Verizon will offer
21 flexibility on the date to schedule the appointment.

22 See **Verizon Exhibit 1** for examples of such communications.

23 As part of the integration planning process, Verizon has learned that Frontier's count of
24 customers served over copper facilities is declining year over year, and there is a higher rate of
25 trouble tickets per customer for customers served over copper facilities compared to customers
26 served over fiber facilities, which is consistent with industry trends. Verizon has already learned

³ See D.08-11-033, 2008 Cal. PUC LEXIS 443, *27 ("We note that the FCC adopted these copper loop retirement policies... after weighing the costs and benefits of unbundling and intermodal competition that the ILECs face from non-ILECs in the voice area, and in considering how to advance its goal of 'swift and ubiquitous broadband deployment'... We support these policies." and *48 ("the state has a clear policy encouraging ILECs to build fiber facilities ... These fiber networks support both voice and advanced services, and represent one type of advanced communication system desired by the FCC and our State legislature."))

1 that Frontier is working to decommission service over copper facilities, and those efforts are
2 informed by the availability of fiber, regulatory requirements, and economic viability. Although
3 no final decisions have been made about how Verizon will approach the copper to fiber
4 transition for California customers, this record of success indicates that Verizon takes the issue
5 seriously and will work to implement effective strategies.

6 Third, over the long term, Verizon certainly intends to explore whether other technologies can
7 serve as an adequate substitute for traditional wireline service, including certain wireless
8 solutions.

9 Verizon is aware of the current carrier of last resort proceeding in California and will abide by
10 requirements that result from the proceeding. We are encouraged by the positive feedback that
11 many have offered for alternative solutions that other carriers have developed to ensure that
12 customers receive excellent service while also acknowledging economic realities regarding the
13 costs associated with deployment.

14 **Q: 2. Provide the projected number of POTS to wireless conversions over the next ten**
15 **years.**

16 A: Vasington: Verizon has not projected the number of POTS or wireline to wireless
17 conversions over the next ten years in California.

18 **Q: 3. Provide documentation on how Frontier will migrate Copper, DSL, and POTS**
19 **customers to fiber by county.**

20 A. Ellis: From the Frontier perspective, as Frontier deploys fiber across its 25-state footprint,
21 it has a 15% to 20% consumer penetration target at twelve months after fiber has been opened
22 for sale in a market (*i.e.*, 15% to 20% of the households/businesses passed by Frontier fiber
23 subscribe to a Frontier fiber service) and 25% to 30% penetration after 24 months. After that,
24 Frontier ultimately seeks to achieve 45% fiber penetration. Frontier endeavors to achieve these
25 levels of penetration through a combination of methods involving proactive communication
26 regarding the availability and benefits of fiber in the areas where fiber has been deployed.
27 Frontier utilizes a wide range of marketing and sales initiatives including Internet based and
28 other media advertising, direct mailings, door-to-door sales and other methods to expand fiber
29 adoption.

1 In the last five years, Frontier has deployed fiber to more than 1 million new locations in its
2 California footprint. The Company is actively communicating the availability of fiber and
3 pursuing a range of marketing methods to achieve the targeted fiber penetration levels described
4 above.

5 A: Vasington: As described above, as Verizon has addressed copper network retirement in
6 its own ILEC service territories by building fiber and following the FCC's copper retirement
7 rules and migrating customers to fiber network facilities, with the option of retaining their
8 regulated basic voice service. An overview of those efforts is included in **Verizon Confidential**
9 **Lawyers Only Exhibit 2**.

10 As part of the integration planning process, Verizon is evaluating Frontier's ongoing efforts and
11 assessing how to support the transition of existing Frontier customers from copper facilities to
12 fiber and potentially other technologies. Verizon anticipates that the BEAD program will play a
13 large role in ensuring customers have access to next generation broadband technologies.
14 However, Verizon has not completed plans on how it intends to migrate customers served over
15 copper facilities to fiber by county at this time. It would not be prudent to make specific,
16 independent plans regarding fiber deployment until any remaining gaps that exist following the
17 results of that program are identified.

18 **B. MERGER AGREEMENT [VASINGTON, ELLIS]**

19 **Q: 1. Please provide the full, unredacted merger agreement between Frontier and**
20 **Verizon.**

21 A: Vasington: Please see **Verizon Exhibit 3**.

22 **Q: 2. Provide the financial, operational, and strategic assumptions behind the \$20**
23 **billion sale price.**

24 A: Vasington: For an overview of Verizon's assumptions, please see **Verizon Confidential**
25 **Lawyers Only Exhibit 4**.

26 A: Ellis: Frontier's assumptions and basis for the Transaction and the agreed upon sale price
27 are described in the Frontier Communications Parent, Inc. Proxy Statement describing the
28 proposed transaction (**Frontier Exhibit 1**) and the October 25, 2025 Investor Presentation
29 (**Frontier Exhibit 2**).

1 **C. FIFTH GENERATION WIRELESS TECHNOLOGY (5G) [SULLIVAN]**

2 **Q: Please submit documentation describing 5g deployment plans for each year from**
3 **2025 to 2030 in rural areas for Verizon. Include the following:**

4 A: Paul Sullivan: Please see **Verizon Confidential Lawyers Only Exhibit 5**, which updates
5 data produced to Cal Advocates in response to Data Requests 2.46 and 2.47 to reflect current
6 plans. Verizon is not able to separate out its plans specifically by rural area but instead provides a
7 full overview of its deployment plans for 2025 through 2030 in California.

8 **Q: 1. Type of service (e.g. home broadband, mobile broadband, Internet of Things, or**
9 **other).**

10 A: Sullivan: Verizon's deployment plans are not tied to particular services, such as Internet
11 of Things offerings. To the extent that the question asks about Fixed Wireless Access as a home
12 broadband service, Verizon does not plan for expansions of Fixed Wireless Access; rather,
13 Verizon plans and engineers its wireless network for mobility, and FWA is a secondary business
14 case that uses excess capacity available from the mobile network.

15 **Q: 2. Network coverage maps with associated minimum speeds at cell edge for those**
16 **services in shapefile format (See Appendix A for instructions for shapefile formatting).**

17 A: Sullivan: Network coverage maps related to Verizon's future deployment plans do not
18 exist. However, Verizon provides as **Verizon Exhibit 6** a copy of its recent filing to the
19 California Public Utilities Commission regarding its broadband coverage in California.

20 **D. RURAL SERVICE [SULLIVAN, ELLIS]**

21 **Q: Please provide documentation describing Verizon's plans to develop its rural area**
22 **network through 2030 by county and city or town, including:**

23 **1. Population with access to mobile broadband at 25 Mbps down and 3 Mbps up or**
24 **greater.**

25 A: Sullivan: With respect to Verizon's plans to develop its wireless network, please see
26 Verizon's response to C.1. With respect to plans to develop Frontier's wireline network, please
27 see in part the response to Request A.3

As part of the integration planning process, Verizon is evaluating Frontier's ongoing efforts and assessing how to support the transition of existing Frontier customers from copper facilities to fiber and potentially other technologies. Verizon anticipates that the BEAD program will play a large role in ensuring customers have access to next generation broadband technologies.

Q: 2. Relationships with rural area service providers, including affiliated entities, if any, including any partnership arrangements and initiatives and other contractual arrangements such as reciprocal roaming.

A: Sullivan: Verizon has relationships/affiliates that provide service in rural areas. These include both wireless partnerships in which Verizon owns a stake and roaming partners with California footprints. The wireless partnerships which may have territory that cover rural areas are: The wireless partnerships which may have territory that cover rural areas are: California RSA No. 4 Limited Partnership (U-3038), Cellco Partnership (U-3001), Fresno MSA Limited Partnership (U-3005) GTE Mobilnet of California Limited Partnership (U-3002), Los Angeles SMSA Limited Partnership (U-3003), Redding MSA Limited Partnership (U-3091), Sacramento-Valley Limited Partnership (U-3004). The roaming partners are: AT&T, T-Mobile (emergency roaming only), US Cellular Corporation, and Commnet.

Q: 3. Plans related to retail store expansion in rural areas, including the number of stores to be closed, combined, and opened.

A: Sullivan: The integration planning process remains ongoing, and no final decisions have been made on this issue. At this point, there are no plans to change Verizon's retail store location strategy based on the Frontier transaction. For those plans, please see Verizon's response to J-1. That being said, Frontier does not currently have a retail store presence, and any retail store locations will relate principally to the Verizon Wireless business.

Q: 4. Plans for facilities consolidation through 2030 in terms of cell sites, fiber optic assets, and data centers.

A: Sullivan: The integration planning process remains ongoing, and no decisions have been made on this issue although there is little chance of a net reduction in the types of facilities listed here through 2030. Verizon continues to invest significantly in further sites and other infrastructure at this time. Verizon Wireless sometimes uses network facilities provided by third parties (i.e., LECs, fiber providers, cable companies) as connections to wireless antenna and

1 radio locations. Verizon is currently evaluating Verizon Wireless third party fiber access data to
2 explore potential post-closure Frontier fiber migrations. Verizon will examine opportunities
3 where Frontier fiber is available to migrate off of third-party fiber. Beyond that, Frontier does
4 not offer its own wireless services, so no consolidation related to cell sites would occur.

5 **Q: 5. How will Verizon’s business plans to provide services and coverage to rural areas**
6 **differ from Frontier’s current rural business plans? Additionally, please provide any**
7 **documentation that explains these differences.**

8 A: Sullivan: As Ms. Ellis explained in her opening testimony, Frontier has been an active
9 participant in a wide variety of federal and state grant programs targeted at expanding broadband
10 services in rural areas in California. The Company has participated in the FCC Connect
11 American Fund (“CAF”), Rural Digital Opportunity Fund (“RDOF”), California Advanced
12 Services Fund (“CASF”) and Federal Funding Account (“FFA”) grant programs to bring
13 broadband and enhanced services to more Californians in its service territory. In total, my
14 understanding is that Frontier has received 23 grants. In the past five years, Frontier has
15 completed six CASF grant projects and has one CASF grant project pending completion for
16 Northeast Phase 1.

17 Verizon supports Frontier’s investment in building fiber facilities across rural areas of California.
18 Frontier has participated in the Commission’s CASF grant program since its inception to bring
19 broadband and enhanced services to more Californians. Verizon will honor the commitments
20 Frontier has made in any broadband grants or deployment programs, including CASF and FFA
21 grants. Verizon further anticipates that the BEAD program will result in a significant expansion
22 of fiber facilities in rural areas across California, potentially by Frontier or other providers
23 serving rural California.

24 In terms of specific differences, the integration planning process is ongoing and at this time
25 Verizon does not have sufficient information to demonstrate how its business plans to provide
26 services and coverage to rural areas might be different from Frontier's current business plans.

27 While Frontier has explained that it is well on its way to completing its plan to build out its fiber
28 network to 10 million homes by 2026, it does not have funding in place for further investment or
29 additional fiber buildouts beyond that point.

1 Moving beyond business plans, Verizon has noted that it has the resources to make significant
2 investments in local communities. When Verizon acquires Frontier’s operations, it will bring its
3 local focus and track record of good corporate citizenship and investing in the rural and other
4 communities in which it operates to wireline services and potential customers in the Frontier
5 territories. Specifically, Verizon regularly invests in education and small businesses in the
6 communities in which it operates, with a focus on bridging the digital divide and supporting the
7 public safety community. The company has also developed numerous innovative public safety
8 tools to benefit these communities not only in times of crisis, but also to address day-to-day
9 public safety challenges. In addition to the billions in network investment, Verizon has invested
10 millions in these areas in a variety of programs to create a reliable and resilient network for its
11 customers in California. Verizon plans to follow this practice in the rural and other communities
12 within the Frontier footprint post-Transaction.

13 Verizon has also developed numerous tools to partner with rural communities and personnel in
14 emergency situations. Verizon Frontline’s Tactical Humanitarian Operations Response
15 (“THOR”) is a mobile, private Verizon 5G Ultra Wideband and mobile edge compute rapid-
16 response command center vehicle designed to provide public safety agencies with high-quality
17 communications and applications under nearly any conditions. The Verizon Rapid Response
18 Connectivity Unit is a six-foot long, two-and-a-half-foot wide asset designed to be deployed by
19 one person in fewer than 15 minutes. It is capable of delivering secure and reliable voice and
20 internet service for first responders under challenging conditions. Lastly, Verizon Frontline’s
21 Mobile Connectivity Agile Vehicle is a modified electric motorcycle capable of providing first
22 responders with mission-critical communications capabilities when operating in areas that
23 traditional vehicles and larger deployable assets can’t reach. These efforts resulted in Verizon
24 being named to Fast Company’s prestigious list of the World’s Most Innovative Companies of
25 2024. Verizon’s award was in the Corporate Social Responsibility category for its commitment
26 to the development and use of innovative new technology like drones, robotics and more to help
27 maintain mission-critical communications during disaster response operations.

28 **E. LEGACY NETWORK MIGRATION [SULLIVAN]**

29 **Q: 1. Does Verizon plan to use Frontier’s network infrastructure as a result of this**
30 **merger to offer current Verizon customers new products and services? If so, please**

1 describe in detail how Verizon plans to use Frontier's network in the offering of products
2 and services to its customers.

3 A: Sullivan: The integration planning process is ongoing and no final decisions have been
4 made, but at this time Verizon envisions three scenarios in which Verizon would use Frontier
5 network infrastructure (or Frontier would use Verizon's network infrastructure) to offer services
6 to current Verizon customers.

7 First, Verizon's companies that offer services to business customers, which operate under the
8 trade name Verizon Business, buy network access to reach their enterprise and public sector
9 customer locations in Frontier territory. It is likely that some of that access comes from Frontier,
10 and some from other third parties. Following the close of the transaction, Verizon would likely
11 transition from certain third parties and onto Frontier infrastructure for "current" Verizon
12 Business customers served through third-party access. This could be applicable to existing and
13 new services for those customers.

14 Second, Verizon may use Frontier infrastructure to provide services to current Verizon Wireless
15 customers. For example, Verizon Wireless might install more of its small cells on Frontier-
16 owned poles. In addition, Frontier has fiber in its network for interoffice, transport, and feeder
17 purposes that Verizon can use as backhaul and fronthaul for wireless network facilities, which is
18 especially important for the deployment of 5G.

19 Third, the inverse is also true, as existing Verizon fiber resources might be utilized to support
20 Frontier's existing wireline network. Our understanding is that Frontier leases transport facilities
21 from a wide range of service providers to provide service within California and to route data to
22 and from the world wide web. As part of the integration planning process and following closing
23 of the Transaction, Frontier and Verizon will evaluate options to optimize their respective
24 network resources to enhance and improve service to California consumers.

25 **Q: 2. Does Verizon, post-merger, plan to enter into contracts with Frontier for**
26 **utilization of Frontier's network for any use or purpose? If so, please describe that process.**

27 A: Sullivan: Yes, Verizon operating companies may enter into intercompany contractual
28 arrangements with the Frontier legal entities if any of the Verizon operating companies desire to
29 utilize the Frontier network or allow access to Verizon products and services. The integration

1 planning process is ongoing and at this time Verizon does not have sufficient information to
2 demonstrate exactly how it will do so. However, some opportunities that might be explored
3 include the following:

4 **[Begin Confidential]**

█ █ [REDACTED]
█ [REDACTED]
█ [REDACTED]
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█ [REDACTED]

20 **[End Confidential]**

21 **Q: 3. Please provide documentation describing how Verizon will transition Frontier**
22 **users to the new Verizon network, including associated facilities consolidation, growth, or**
23 **attrition.**

24 A: Sullivan: Verizon is acquiring all of Frontier infrastructure and assets, and therefore there
25 will be no need to transition Frontier's customers from their existing network. In terms of
26 facilities, the integration planning process is ongoing and no final decisions have been made
27 about consolidation, growth, or attrition.

28 **F. SYSTEMS INTEGRATION [NUGENT]**

1 **Q: Please provide detailed documentation describing how Verizon plans to integrate**
2 **legacy provisioning and billing systems as well as the restoration and recovery plan so that**
3 **service to customers will not be negatively affected.**

4 A: Tom Nugent: Because the proposed change in ownership will occur at the holding
5 company level and does not require any network migration, the Transaction will be seamless to
6 Frontier's customers in that regard. Moreover, Verizon is acquiring all of Frontier and thus it will
7 have access to all of Frontier's back-office systems. Not having to transition customers
8 immediately to new systems at closing will ensure that Frontier customers experience no
9 meaningful disruptions.

10 More broadly, Verizon currently anticipates that fiber customers will be converted over to
11 Verizon billing and care systems approximately one year after the date of close. At that point
12 customer service will occur from Verizon systems. For customers served over copper facilities,
13 an understanding and analysis of those systems remains ongoing.

14 **[Begin Confidential]**

[REDACTED]

[REDACTED]

- ■ [REDACTED]
- ■ [REDACTED]
- [REDACTED]
- ■ [REDACTED]
- ■ [REDACTED]

[REDACTED]

15 [End Confidential]

16 Beyond this, the integration planning process remains ongoing and additional plans regarding
17 these issues have not been finalized at this time.

18 **G. FIBER INFRASTRUCTURE [SULLIVAN, ELLIS]**

19 **Q: 1. Please provide documentation describing Verizon’s fiber infrastructure plans**
20 **through 2030 in terms of the level of investment, rollout by county, planned fiber routes,**
21 **consolidation, and elimination.**

22 A: Sullivan: Verizon has not completed such an assessment, nor made any decisions, for any
23 additional build past the Frontier 10 million fiber premises passed build.

24 A. Ellis: After emerging from its bankruptcy in 2021, Frontier shifted to a fiber-first strategy
25 (Building Gigabit America™) and targeted passing 10 million locations with fiber by the end of
26 2026. At that time, Frontier had approximately 3.2 million fiber passings across its 25-state
27 footprint. Frontier has made substantial progress expanding fiber—it has added 4.6 million fiber
28 passings, or over 1 million locations annually since 2022—and is currently on track to meet its
29 goal of 10 million fiber passings. As of December 31, 2024, it had cumulatively passed 7.8
30 million locations with fiber. Frontier is targeting completing another [Begin Confidential] [REDACTED]

1 [REDACTED] [End Confidential]
2 across its 25-state footprint in calendar year 2025 and [Begin Confidential] [REDACTED] [End
3 Confidential] fiber passings in 2026 to reach its 10 million locations passings target by year end
4 2026.

5 Frontier has incurred substantial debt to complete its fiber expansion initiative⁴ and the
6 Company's ability to fund additional fiber investment is constrained by its total debt, its ability to
7 refinance debt on terms equal to or better than its current debt, and its overall leverage, including
8 both securitized and non-securitized debt. Frontier has determined that it will not issue additional
9 debt to increase the fiber build beyond 10 million passings. As a result, Frontier has no plans to
10 expand fiber passings beyond its 10 million target at the end of 2026 beyond the fiber
11 deployment it completes to fulfill its RDOF obligation, the Broadband Equity, Access and
12 Deployment ("BEAD") locations, if any, and other federal or state subsidized broadband grants
13 it is awarded.

14 With respect to California, Frontier has deployed new fiber past more than 1 million locations in
15 the last five years. The following chart shows Frontier's incremental fiber deployments in
16 California by year from 2021 through April 17, 2025:

17 [Begin Confidential]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]					

18 [End Confidential]

19 In terms of its future fiber deployment plans to reach its 2026 goal, Frontier is scaling back on
20 fiber deployments in California because the costs for completing additional fiber passings are
21 disproportionately higher for remaining locations in the state. As reflected above, Frontier has

⁴ As of December 31, 2024, Frontier had approximately \$11.6B of total debt, of which \$2.3B is securitized and \$9.2B is public bonds and credit facilities. As I explained in my initial testimony, in 2027, \$1.35 billion of debt comes due and debt maturities then increase to \$3.64 billion in 2028 and average \$2.2 billion per year thereafter through 2031. In addition to principal payments, Frontier incurs interest expense of approximately \$800 million (7.0%) per year on the debt balances outstanding in each period.

1 completed approximately [Begin Confidential] [REDACTED] [End Confidential] fiber passings
2 through April 17, 2025, and is currently targeting deploying fiber to approximately [Begin
3 Confidential] [REDACTED] [End Confidential] additional locations during the remainder of calendar
4 year 2025. The total number of fiber passings Frontier is able to complete in California in 2025 is
5 subject to change (and possible reduction) due to a variety of factors, including permitting and
6 right of way access, natural disasters, weather, build costs, field conditions, third party delays,
7 and other factors that impact construction. For 2026 and beyond, Frontier does not plan to
8 complete any additional fiber deployment in California, except fiber deployment associated with
9 its RDOF, CASF, FFA, BEAD (if any) and other awarded federal or state subsidies/grants.

10 **Q: 2. Please clarify the following statement from Frontier’s Feb. 20, 2025, financial**
11 **results report: “We participated in the FCC’s RDOF3 Phase I auction and were awarded**
12 **approximately \$371 million over ten years to build gigabit-capable broadband over a fiber-**
13 **to-the-premises network to approximately 127,000 locations in eight states (California,**
14 **Connecticut, Florida, Illinois, New York, Pennsylvania, Texas, and West Virginia). We**
15 **began receiving RDOF funding early in 2022. Changes in the requirements or funding**
16 **available for RDOF could impact the ongoing funding we receive.” Additionally, provide**
17 **all documentation that refers to, relates to, or clarifies this statement and its relation to**
18 **Verizon’s plan on continuation of RDOF, Broadband Equity Access and Deployment**
19 **(BEAD), federally funded deployments, and California-funded fiber deployments.**

20 A. Ellis: Frontier Communications Parent, Inc. (“Frontier”), as a publicly traded company, is
21 required to comply with the applicable Securities & Exchange Commission (“SEC”) regulations
22 related to its financial reporting and disclosure of potential risks that could impact its business
23 and influence investors, which includes the possibility that the funding the Company receives
24 under certain federal grant programs such as RDOF could be eliminated or changed. The
25 referenced statement was included in the Risk Factors section of Frontier’s Annual Report on
26 form 10-K that was filed with the SEC in February 2025 and reported Frontier’s financial and
27 operational results for calendar year 2024. For reference, Frontier has included statements related
28 to RDOF regulatory risks in the Risk Factors section of its Annual Form 10-K filings for
29 calendar years 2021, 2022 and 2023 as well.

Item 1A of SEC Form 10-K requires publicly traded companies to disclose material risk factors that could adversely affect their business, financial condition, or future results. The risks must be specific, not generic, and tailored to the company’s actual circumstances. Companies must update these disclosures annually and whenever material changes occur, ensuring transparency for investors.

This “Risk Factors” section of Frontier’s 2024 10-K starts on page 13 with the following statement:

ITEM 1A. Risk Factors

Before you make an investment decision with respect to any of our securities, you should carefully consider all the information we have included in this Annual Report on Form 10-K and our subsequent filings with the SEC. In particular, you should carefully consider the risk factors described below and the risks and uncertainties related to “Forward-Looking Statements,” any of which could materially adversely affect our business, operating results, financial condition, and the actual outcome of matters as to which forward-looking statements are made in this annual report. The risks and uncertainties described below are not the only ones facing Frontier. Additional risks and uncertainties that are not presently known to us or that we currently deem immaterial or that are not specific to us, may also adversely affect our business and operations. The following risk factors should be read in conjunction with the balance of this annual report, including the consolidated financial statements and related notes included in this report.

More specifically, page 20 of the 2024 10-K, which contained the statement referenced in the question above, explained:

Risks Related to Regulation and Oversight

Changes in federal or state regulations may reduce subsidy and other revenues we receive. A portion of Frontier’s total revenues (\$64 million, or 1%, in 2024 and \$75 million, or 1%, in 2023) are derived from federal and state subsidies for rural and high-cost support including RDOF.

We participated in the FCC’s RDOF Phase I auction and were awarded approximately \$271 million over ten years to build a gigabit-capable broadband over a fiber-to-the-premises network to approximately 127,000 locations in eight states (California, Connecticut, Florida, Illinois, New York, Pennsylvania, Texas, and West Virginia). We began receiving RDOF funding early in 2022. Changes in the requirements or funding available for RDOF could impact the ongoing funding we receive.

In that same “Risks Related to Regulation and Oversight” section, the next page of Frontier’s 2024 10-K (page 21) explained further:

1 *On January 27, 2025, the federal Office of Management and Budget (“OMB”) issued a*
2 *memorandum to the heads of all executive departments and agencies directing them to*
3 *pause the disbursement of certain federal financial assistance. On January 28, 2025, the*
4 *United States District Court for the District of Columbia issued a temporary stay of the*
5 *OMB directive, which the OMB subsequently rescinded. It is uncertain if the OMB will*
6 *seek to further pause or otherwise limit future federal disbursements, or if any such*
7 *changes will impact the funding Frontier receives under federal programs, including*
8 *USF, RDOF and other federal broadband grants including BEAD. We are closely*
9 *tracking developments in this area. Significant decreases in available funding, or the*
10 *imposition of significant requirements on the receipt of such funding, could have a*
11 *material adverse effect on our business and results of operations.*

12 Frontier included these statements in its 2024 10-K in early February 2025 in recognition of the
13 January 2025 change in the Presidential administration and the appointment of a new Federal
14 Communications Commission Chair. Although the new administration had not (and has not)
15 articulated specific alterations to the RDOF or other funding programs, it has publicly signaled a
16 shift in broadband policy that could impact federal broadband programs, including RDOF.
17 Accordingly, Frontier identified potential risks associated with changes in its RDOF funding in
18 accordance with its legal SEC reporting and disclosure obligations.

19 **H. LIFELINE [NUGENT]**

20 **Q: 1. Please describe the impact of the merger on existing resellers’ federal Lifeline and**
21 **California Lifeline participants.**

22 **A: Nugent:** The Transaction will not affect existing resellers’ federal LifeLine and California
23 Lifeline participants. For Verizon, to the extent that its resellers provide mobile wireless Lifeline
24 service, their service would not be affected by the Transaction as the Transaction does not
25 involve wireless services. Frontier does not have a mobile wireless offering and, therefore, does
26 not resell wireless service to state or federal LifeLine providers. Through its interconnection
27 agreements and other commercial arrangements with competitive local exchange carriers
28 (CLECs), Frontier has resale arrangements in which these carriers may resell certain Frontier
29 products and services. We do not have insight into whether those providers are eligible
30 telecommunications carriers or whether they resell Lifeline services. In any event, the transaction
31 should have no impact on those participants as Verizon has agreed to honor Frontier’s
32 commitments.

Q: 2. Please provide details explaining any changes in service plans, rates, or terms and conditions that would affect Lifeline customers.

A: Nugent: As a starting point, Verizon has pledged to continue to serve as an eligible telecommunications carrier offering Lifeline service to Frontier wireline customers post-close. Verizon has also determined that, barring changes made to federal Lifeline and state LifeLine subsidy programs, it will honor the prices and terms of existing Lifeline customers who already utilize in-market Frontier plans for the foreseeable future.

Additionally, Verizon's low-income broadband plan Verizon Forward greatly enhances the affordability of home internet service for eligible customers. New York State issued a report that showed Verizon is the only major provider in the State voluntarily offering a low-income plan. Post-Transaction, Verizon will offer Verizon Forward to Frontier wireline customers served over fiber facilities in California. Select plans are currently available for as low as \$20 a month. As described above, Verizon Forward offers subscribers the same service available to all customers. Eligible subscribers can choose the plan that works best for them and apply Verizon Forward's discounts and savings—all with no equipment charges or annual contracts.

Verizon also announced this month a three-year price lock guarantee on the base rate (exclusive of taxes and fees) of all myPlan and myHome plans for postpaid wireless and Fios service for all new and existing customers. As part of that, myHome customers will receive home internet routers included at no additional cost (no fees). Customers will save an additional \$15 per month when they have both myPlan and myHome; they will also receive a "perk" from Verizon. In contrast, Frontier has commonly offered promotions that provide an incentive or low introductory rate for new customers for a specified period. As this offer demonstrates, Verizon does not engage in extensive promotional pricing; rather, customers pay the same rates whether they are a new customer or an existing one.

Following the close of the Transaction, Verizon will offer many of its service plans to current Frontier customers. Critically, this includes a national low-income broadband plan and bundled service options not offered by Frontier today. Post Transaction, consumers in Frontier's California territories will have access to the full range of Verizon service plans, which provide a variety of speed and pricing choices for next-generation services.

Moreover, current Frontier customers and any new customers in the Frontier territories in California will be able to further personalize their broadband plans to best suit their needs. Verizon offers a variety of advanced, next-generation services that can be tailored or combined. For example, Verizon's myHome allows new and existing customers to select the plans that provide the best match for their requirements based on service and price. This feature is always available to Verizon customers, meaning customers can change their plan's components and features from month to month. The myHome program also offers a variety of Verizon and third-party subscription offerings at a discount compared to retail rates. Following the Transaction, consumers in Frontier's California territories will benefit from an opportunity to select the optimum combination of services for their individualized needs from an expanded menu of services. As a result, they will be able to enjoy the enhanced consumer choice and convenience that Verizon customers enjoy today.

Additionally, Frontier does not have a mobile wireless offering and is thus at a competitive disadvantage relative to companies with more robust bundling options, including cable companies that offer mobile services through mobile virtual network operator agreements. Verizon's discounted bundles of home broadband, mobility, and other services will be extended to Frontier customers and any new customers in the Frontier territories, resulting in significant savings. For example, current Verizon customers with a qualifying Verizon wireless mobile plan can receive Fios Home Internet starting for as low as \$35 per month. Verizon customers can save up to \$300 a year by bundling their in-home broadband and mobile wireless service plans.

Frontier customers and any new customers in the Frontier territories will benefit from added amenities and expanded choices. For example, several of Verizon's Fios fiber plans offer certain forms of Wi-Fi for free and exclusive third-party protection services, such as Cloud and Verizon Home Device Protect. In addition, depending on their plan, Frontier customers will receive better content choices.

I. TERMS AND CONDITIONS [NUGENT]

Q: 1. For Verizon, what changes to consumer pricing for wireless service have been considered, projected, or planned following the merger, and what is the projected Average Revenue Per User for the different market segments (prepaid, postpaid, wholesale), and what terms and conditions are those projections based on (e.g. data usage maximum,

1 **inclusion of packaged content services like Netflix)? Additionally, provide all documents**
2 **that set forth or describe such terms and/or conditions.**

3 A: Nugent: As this is a wireline transaction, Verizon has not contemplated any changes in
4 consumer pricing for wireless service as a result of this transaction.

5 **Q: 2. What upgrade or equipment replacement incentives will be given to Frontier's**
6 **customers who own devices incompatible with Verizon's network (including CDMA**
7 **devices)? Additionally, provide all documents that set forth or describe such incentives.**

8 A: Nugent: Again, as this is a wireline transaction, there will be no wireless device
9 incompatibility issues as a result of this transaction. And because Verizon is acquiring the
10 entirety of Frontier's operations, there should be no expectation of any equipment that Frontier
11 customers currently utilize being incompatible with the network on which that equipment will
12 continue to operate.

13 **J. RETAIL STORES [NUGENT]**

14 **Q: Please provide documentation describing Verizon's plans for retail store openings,**
15 **closings, and consolidations from 2025 through 2031, including:**

16 **1. Data in shapefile format showing store locations with attributes indicating year**
17 **and company (Verizon, TracFone, and Frontier).**

18 A: Nugent: Please see **Verizon Confidential Lawyers Only Exhibit 7**. The exhibit includes
19 a list of Verizon planned distribution locations for 2025 and includes:

- 20 • CMA Name
- 21 • City
- 22 • Density Class
- 23 • Site Status
- 24 • Census Block Group ID is Provided in Lieu of Shapefile format.

25 Shapefile boundaries used within Verizon are trade areas defined by customer convenient drive
26 time based on density class.

27 Years 2026-2029 have key markets identified for distribution growth but specific locations are
28 not identified at this time.

Verizon does not have plans to close or consolidate locations within the state of California through 2029.

Q: 2. The data set provided in response to Question J.1 shall include as attributes the type of support provided at each store, including whether each store offers (a) sales support and (b) technical support.

A: Nugent: All stores provide sales support and technical support for wireless customers.

K. FIXED WIRELESS [SULLIVAN]

Q: 1. Please provide documentation describing Verizon's plans to develop and sell a fixed wireless product to provide home broadband through 2031, including deployment locations, target customers, capabilities, pricing, and feature plans.

A: Sullivan: Verizon does not plan for expansions of Fixed Wireless Access; rather, Verizon plans and engineers its wireless network for mobility, and FWA is a secondary business case that uses excess capacity available from the mobile network. As of October 2024, Verizon estimated that its FWA availability will expand from roughly 60 million locations to roughly 90 million locations, nationwide, by the conclusion of 2028. There is no available breakdown by state or ILEC territory for the projection.

Q: 2. Does Verizon plan to use Frontier's network to provision Verizon's fixed wireless products? If so, please explain how.

A: Sullivan: As noted above, Verizon does not plan for expansions of Fixed Wireless Access; rather, Verizon plans and engineers its wireless network for mobility, and FWA is a secondary business case that uses excess capacity available from the mobile network. As discussed above, Verizon is currently evaluating Verizon Wireless' third party fiber access data to explore potential post-closure Frontier fiber migrations. Verizon will examine opportunities where Frontier fiber is available to migrate off third party fiber.

L. PREPAID PLANS [NUGENT]

Q: Please provide documentation describing Verizon's plans for selling prepaid services, including whether it will keep any existing Verizon and/or Frontier brands, how those brands will be differentiated, target customers, locations, and pricing and feature plans.

1 A: Nugent: Frontier does not offer wireless services. Verizon intends to sell its prepaid
2 wireless services to current Frontier customers under the Verizon brands as it would today; this
3 transaction will have no impact on that.

Verizon Exhibit 1

Bates-stamped Document No.

VZ_Supp_Test_00000001

Verizon Confidential Lawyers Only Exhibit 2

Bates-stamped Document No.

VZ_Supp_Test_00000120

Verizon Exhibit 3

Bates-stamped Document No.

VZ_Supp_Test_00000005

Verizon Confidential Lawyers Only Exhibit 4

Bates-stamped Document No.

VZ_Supp_Test_00000125

Verizon Confidential Lawyers Only Exhibit 5

Bates-stamped Document No.

VZ_Supp_Test_00000126

Verizon Exhibit 6

Bates-stamped Document No.

VZ_Supp_Test_00000107 – VZ_SUPP_TEST_00000119

Verizon Confidential Lawyers Only Exhibit 7

Bates-stamped Document No.

VZ_Supp_Test_00000127

Frontier Exhibit 1

Bates-stamped Document No.

FR_Supp_Test_00000001 – FR_Supp_Test_00000189

Frontier Exhibit 2

Bates-stamped Document No.

FR_Supp_Test_00000190