

**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)

REBUTTAL TESTIMONY OF ALLISON M. ELLIS

ON BEHALF OF FRONTIER COMMUNICATIONS PARENT, INC., 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 ONLINE AND LONG DISTANCE INC. (U 7167 C), AND FRONTIER COMMUNICATIONS OF AMERICA, INC. (U 5429 C)

**IN SUPPORT OF JOINT APPLICATION
[PUBLIC]**

**May 15, 2025
Errata July 3, 2025**

1 **I. INTRODUCTION AND OVERVIEW**

2 **Q1. ARE YOU THE SAME ALLISON M. ELLIS WHO SUPPLIED OPENING**
3 **TESTIMONY IN THIS PROCEEDING?**

4 A1. Yes. I presented the opening testimony that supported the Joint Application submitted by
5 Frontier Communications Parent, Inc., Frontier California Inc. (“Frontier-California”),
6 Citizens Telecommunications Company of California Inc. (“CTC-California”), Frontier
7 Communications of the Southwest Inc. (“Frontier-Southwest”), Frontier Communications
8 Online and Long Distance Inc., and Frontier Communications of America, Inc.
9 (collectively, “Frontier”) and Verizon Communications Inc. (“Verizon,” and together
10 with Frontier, “Joint Applicants”). My opening testimony was served on January 24,
11 2025. I am now sponsoring this rebuttal testimony in further support of the Joint
12 Application and Verizon’s acquisition of Frontier (the “Transaction”), and in response to
13 the testimony submitted by the other interested parties on May 1, 2025.

14 **Q2. WHICH PARTIES SUBMITTED TESTIMONY ON MAY 1, 2025?**

15 A2. Five parties submitted testimony on May 1, 2025, as follows: (1) the California Public
16 Utilities Commission’s Public Advocates Office (“Cal Advocates”); (2) The Utility
17 Reform Network (“TURN”); (3) the Center for Accessible Technology (“CforAT”); and
18 (4) the California Emerging Technology Fund (“CETF”) (collectively, “Intervenors”).

19 On behalf of these parties, testimony was submitted by the following witnesses:

- 20 • Cal Advocates: Lucas Duffy, Darren Blackburn, and Alejandra Martinez, analysts
21 for Cal Advocates; and outside consultant, Dr. Lee Selwyn.
- 22
- 23 • TURN: Ashley Salas, counsel for TURN; and outside consultant, David Brevitz.
- 24
- 25 • CforAT: Paul Goodman, counsel for CforAT.
- 26
- 27 • CETF: Sunne McPeak, President and Chief Executive Officer (“CEO”) of CETF.

1 **Q3. WHAT IS THE FOCUS OF YOUR REBUTTAL TESTIMONY?**

2 A3. My rebuttal testimony is designed to provide further context for the Joint Application in
3 light of the Intervenors’ testimony. I believe several Intervenors have misconstrued the
4 current state of Frontier’s network and operations and understate the benefits of the
5 proposed acquisition by Verizon (the “Transaction”) for the purpose of extracting
6 unnecessary and unrealistic conditions for the approval of the Transaction. My testimony
7 is designed to correct these mischaracterizations and underscore the many compelling
8 reasons that the Transaction promotes the public interest, in keeping with the standards of
9 the California Public Utilities Commission (the “Commission”).

10 **Q4. WHAT MATERIALS DID YOU REVIEW IN PREPARING YOUR REBUTTAL**
11 **TESTIMONY?**

12 A4. I reviewed the testimony from Intervenors summarized above. I also reviewed key data
13 request responses offered by Frontier in response to Intervenors’ discovery and other
14 information referenced in this testimony.

15 **Q5. HOW MANY DATA REQUESTS HAS FRONTIER ANSWERED IN**
16 **CONNECTION WITH THIS PROCEEDING?**

17 A5. In total, Frontier has answered more than 190 data requests from Intervenors, not
18 counting sub-parts or follow-up informal data requests from Cal Advocates. With
19 subparts, Frontier has answered more than 500 requests and produced more than 5,000
20 pages of documents and data. This figure includes several back-to-back data requests
21 posed on very short notice during May 2025, while Frontier has been digesting
22 Intervenors’ voluminous testimony and preparing rebuttal to meet the expedited schedule
23 in this proceeding. This does not include questions posed by the Administrative Law
24 Judge (“ALJ”) or data requests issued by Communications Division. Likewise, these

1 figures do not include data requests addressed by Verizon, which I am aware are
2 extensive as well.

3 **Q6. WHAT IS YOUR OVERALL VIEW OF INTERVENORS’**
4 **RECOMMENDATIONS?**

5 A6. The Intervenor’s are not correctly assessing the choice before the Commission in this
6 proceeding. As I will explain, Frontier is reaching the end of its capacity to continue
7 aggressively investing in service quality improvements and fiber upgrades in its 25-state
8 service territory, including California. While Frontier has met and exceeded the
9 investment-related conditions adopted by the Commission in connection with Frontier’s
10 restructuring in D.21-04-008, Frontier’s financial position will not support significant
11 continued investment beyond the amount necessary to complete Frontier’s nationwide
12 goal of 10 million fiber passings by the end of 2026. Absent a further capital infusion
13 that Verizon’s ownership can provide, the financial reality for Frontier is that it would
14 have to move into a more conservative investment mode in which network upgrades
15 would be minimal and based on Frontier’s ability to successfully increase cash flow
16 through revenue growth from the fiber locations already passed. By contrast, if the
17 Transaction is approved, Verizon has access to extensive additional capital, and it can
18 position Frontier’s network for continued modernization and evolution. In proper
19 context, the choice in this proceeding is between a future where Frontier is challenged
20 with continuing to provide service and invest despite major capital limitations and a
21 robust future where Verizon brings its access to the financial markets, economies of
22 scale, diversified service platform, enhanced product and service portfolio, and extensive
23 resources to bear in setting up Frontier and its customers for success going forward.

1 **Q7. ARE THERE ASPECTS OF INTERVENORS' PRESENTATIONS WITH WHICH**
2 **YOU AGREE?**

3 A7. Yes. CETF's witness, Ms. McPeak, acknowledges Frontier's "financial difficulty" and
4 the benefits of "allow[ing] Verizon to purchase Frontier in order to provide financial
5 stability and additional assets to Frontier."¹ Ms. McPeak observes that "[g]iven
6 Frontier's strapped financial position, the purchase of Frontier by Verizon by the end of
7 the year will be beneficial to Frontier customers."² While I do not agree with CETF's
8 proposed conditions for the Transaction's approval, Ms. McPeak's remarks properly
9 recognize the benefits of Verizon's proposed ownership of Frontier. In addition, there
10 are certain aspects of TURN's testimony that highlight the benefits that Verizon can
11 bring to bear as owner and operator of Frontier's California operations. For example, Mr.
12 Brevitz notes that "Verizon is rightly proud of its telecommunications networking
13 capacity, management capacity, and operating practices and tools," as well as its
14 "services and service bundles."³ He also observes that "[n]et synergies from the
15 proposed transaction are also a source of benefit to Frontier consumers in California."⁴
16 While I do not support TURN's roster of proposed conditions, I appreciate that TURN
17 sees the overall positive opportunity for Frontier and its ratepayers that this Transaction
18 represents.

19 **Q8. HAVE INTERVENORS IDENTIFIED MATERIAL DETRIMENTS OR PUBLIC**
20 **INTEREST PROBLEMS WITH THE TRANSACTION?**

21 A8. No. Intervenors' presentations fall into two overall categories. First, Intervenors suggest
22 that the benefits of the Transaction are vague or "aspirational," but they do not deny that

¹ *McPeak Testimony* at 5:3-7.

² *McPeak Testimony* at 12:5-6.

³ *Brevitz Testimony* at 8:10-15.

⁴ *Brevitz Testimony* at 47:16-17.

1 such benefits exist. Second, Intervenors seek to opportunistically use this proceeding as a
2 vehicle to achieve through conditions their public policy objectives that are not related to
3 the Transaction, such as fiber-based broadband for all, broadband affordability, service
4 quality standards, open access fiber, and their other policy goals. This proceeding is not
5 the proper forum for such industrywide considerations, which do not have a unique nexus
6 to this Transaction and undermine the benefits identified in the Joint Application and
7 supporting testimony. Importantly, the overall perspectives presented by Intervenors do
8 not identify any reason to believe that the Transaction is likely to be harmful. Again, a
9 simple comparison between the continuation of the status quo and the alternative of
10 Verizon's forward-looking ownership leaves no doubt that this Transaction is beneficial.

11 **Q9. ARE THERE OTHER WITNESSES SUPPLYING REBUTTAL TESTIMONY?**

12 A9. Yes. I understand that Verizon will be supplying panel testimony on behalf of three
13 witnesses: Paul Sullivan, Tom Nugent, and Paul B. Vasington. Verizon will also be
14 supplying expert testimony from Dr. Debra Aron. I understand that Verizon's
15 submissions are complementary to Frontier's testimony but will focus on areas of
16 Intervenors' proposals that concern the forward-looking operation of Frontier's network
17 and service platform under Verizon's anticipated ownership.

18 **Q10. HOW IS YOUR TESTIMONY ORGANIZED?**

19 A10. First, I address misconceptions included in Intervenors' testimonies regarding Frontier's
20 current financial position, operations, and network deployment. Second, I summarize the
21 likely operational reality for Frontier if the Transaction is not approved. Third, I respond
22 to assertions regarding Frontier's service quality results and customer service record.
23 Fourth, I highlight the infeasibility of certain proposed conditions from Intervenors,
24 including expansive fiber development, based on Frontier's experience in operating in

1 California. Fifth, I summarize Frontier’s positions regarding the issues in the Scoping
2 Memo for this proceeding, addressing each issue in the sequence presented therein.

3 **II. FRONTIER’S CURRENT FINANCIAL POSITION, OPERATIONS, AND**
4 **INFRASTRUCTURE**

5 **Q11. DO INTERVENORS CORRECTLY CHARACTERIZE FRONTIER’S CURRENT**
6 **FINANCIALS AND OPERATIONS?**

7 A11. No. For the most part, Intervenors fail to acknowledge Frontier’s weakening financial
8 capabilities and the growing limitations that these difficulties will place on its operations
9 in California. Since its 2021 restructuring, Frontier has incurred extensive debt to
10 advance its fiber deployment objectives, but its revenues have not increased at an
11 adequate level to stabilize its financial profile in the long term. Frontier also continues to
12 lose telephone access lines and the accompanying revenue and cash generated from these
13 services, as it faces fierce competition from wireless carriers, cable competitors, fixed
14 wireless operators, and satellite alternatives.

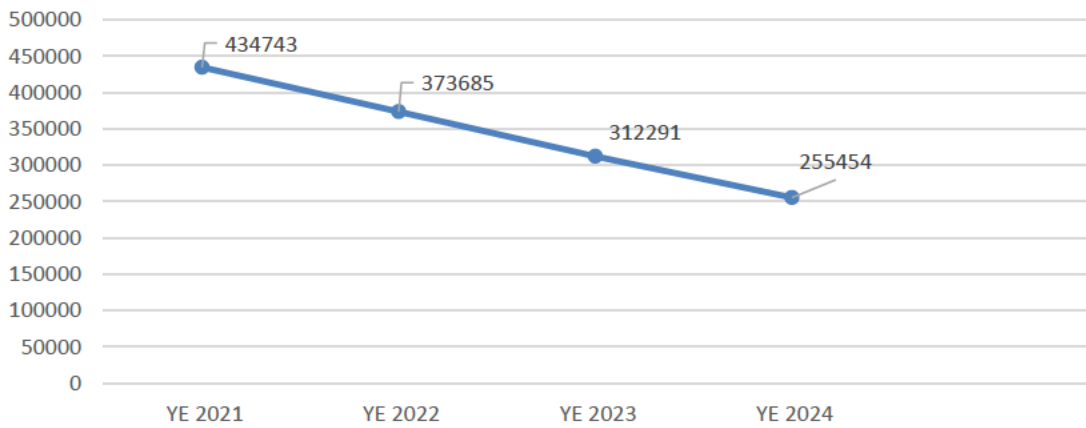
15 **Q12. WHAT ARE THE CURRENT TRENDS REGARDING FRONTIER’S**
16 **CUSTOMER COUNTS?**

17 A12. Over the four years since December 31, 2021, Frontier’s incumbent local exchange
18 carriers (“ILECs”) in California have lost 44% of their telephone access lines:

California	Access Line Count
YE 2021	482,261
YE 2022	415,665
YE 2023	347,955
YE 2024	284,987
1Q 2025	267,930
Decline	44.4%

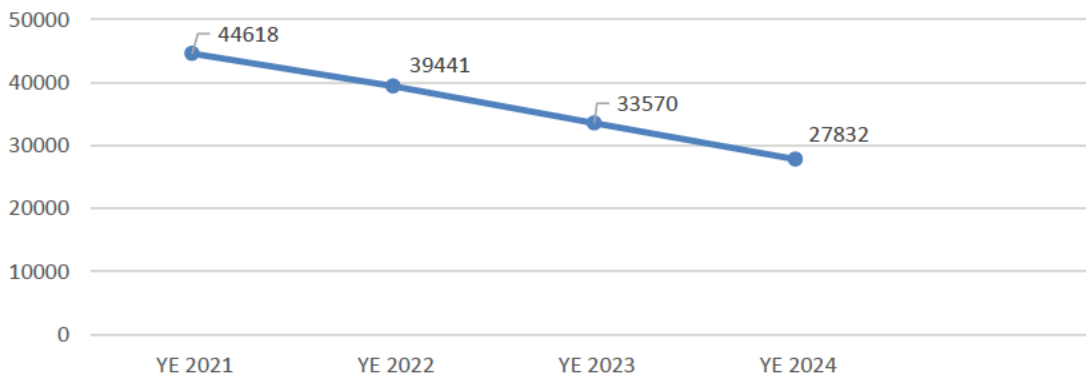
19 The following charts depict the telephone access line decline by Frontier ILECs in
20 California:

Frontier California Year End Access Line Count



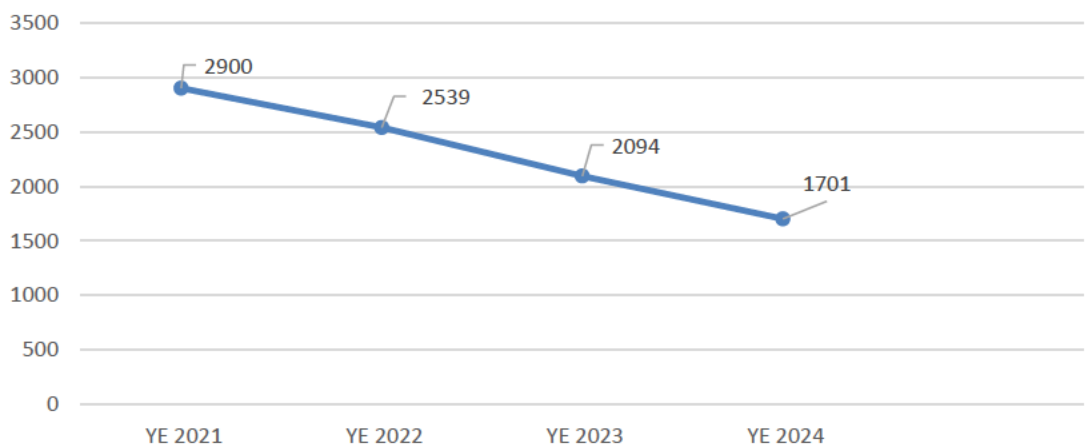
1

CTC California Year End Access Line Count



2

FC Southwest Year End Access Line Count



3

1 These data clearly show that California consumers continue to rely less and less on
2 Frontier's regulated telephone service as they cut the cord or otherwise switch to
3 competitive service options. Notwithstanding this dramatic and ongoing loss of
4 telephone access lines and the accompanying loss of revenues from these services,
5 combined with the transformation of the federal universal service high-cost program that
6 has largely eliminated support for voice services and instead tied support to deployment
7 and offering broadband services to certain specific locations, Frontier has diligently
8 worked to improve the quality of the services it offers. However, these efforts are not
9 sustainable without further infusion of capital and resources that Frontier alone cannot
10 provide.

11 **Q13. ON PAGES 13 AND 14 OF HIS TESTIMONY, MR. BREVITZ REMARKS THAT**
12 **"VERIZON IS ACQUIRING A SUCCESSFUL OPERATION," CITING**
13 **INFORMATION PROVIDED DURING 2024 EARNINGS CALLS. IS HIS**
14 **OBSERVATION INCORRECT?**

15 A13. Since emerging from Chapter 11, Frontier has achieved significant fiber deployment,
16 improved efficiency, increased subscriptions to fiber services, and grown revenues for the
17 first time in many years. However, these improvements are not sustainable given
18 Frontier's existing debt limitations without a further infusion of capital that Frontier itself
19 cannot facilitate.

20 **Q14. PLEASE DESCRIBE FRONTIER'S TOTAL DEBT PROFILE.**

21 A14. As of March 31, 2025, Frontier had approximately \$11.7 billion of total debt, of which
22 \$2.4 billion is securitized and \$9.2 billion is public bonds and credit facilities. As I
23 explained in my initial testimony, in 2027, \$1.35 billion of debt comes due and debt
24 maturities then increase to \$3.64 billion in 2028, and average \$2.2 billion per year
25 thereafter through 2031. In addition to principal payments, Frontier incurs interest

1 expense of approximately \$800 million (7.0%) per year on the debt balances outstanding
2 in each period. We expect the debt balance to grow in 2025 as we draw on a \$1.5 billion
3 secured loan facility to support the continued investment in the fiber network to reach the
4 10 million fiber passings goal by year-end 2026.

5 **Q15. PLEASE IDENTIFY HOW MUCH OF THIS DEBT HAS BEEN INCURRED**
6 **SINCE FRONTIER EMERGED FROM BANKRUPTCY IN 2021?**

7 A15. Upon emergence from bankruptcy in 2021, Frontier had \$7.0 billion of debt. The debt
8 balance has grown by \$4.7 billion in the four years as Frontier has heavily invested in its
9 fiber network.

10 **Q16. IS THIS INCREASE IN DEBT RELATED TO THE FIBER DEPLOYMENT**
11 **FRONTIER HAS COMPLETED SINCE 2021?**

12 A16. Yes, Frontier has deployed fiber to over 4.8 million additional locations since emerging
13 from Chapter 11 and has expended more than \$5.0 billion in capital to complete its fiber
14 network deployment between 2021 and 2024. In addition to deploying fiber, the
15 Company has also spent significant capital resources to connect customers to the network
16 and to support the deployment of optical network terminals, modems, routers and other
17 customer premises equipment required to deliver service and enhance the customer
18 experience. Frontier has been able to fund this fiber deployment and customer
19 connectivity through the use of cash from ongoing operations, the issuance of debt, and to
20 a lesser extent with proceeds from federal and state government subsidy programs.

21 **Q17. DOES FRONTIER PLAN TO RELY ON ADDITIONAL DEBT TO COMPLETE**
22 **ITS CURRENT FIBER DEPLOYMENT PLANS FOR 10 MILLION LOCATIONS**
23 **IN 2026?**

24 A17. Yes. Frontier has \$1.4 billion of a \$1.5 billion “Delayed Draw Term Loan” facility
25 remaining that will be used in the next year to support continued fiber deployment toward
26 our goal of 10 million homes by the end of 2026.

1 **Q18. IS IT REASONABLE TO ASSOCIATE A LARGE PORTION OF THIS**
2 **INCREMENTAL DEBT TO CALIFORNIA?**

3 A18. Yes. In the last four years, Frontier has deployed fiber to more than **1 million** additional
4 locations in California and has expended more than \$1.3 billion on fiber deployment in
5 California. California represents more than 20% of the more than 4.8 million total fiber
6 locations Frontier has deployed since emerging from Chapter 11 and so it is appropriate
7 to associate at least 20% or almost \$1.0 billion of the incremental debt Frontier has
8 incurred to California. This also means that the Company is paying approximately \$70
9 million (7.0%) per year on the debt balances associated with Frontier's fiber deployment
10 in California.

11 **Q19. CAN FRONTIER CONTINUE TO BORROW ADDITIONAL DEBT TO FUND**
12 **FIBER DEPLOYMENT IN CALIFORNIA?**

13 A19. No. The agreements governing Frontier's existing indebtedness contain covenants that,
14 among other things, limit the Company's ability to:

- 15 • incur additional debt and issue preferred stock;
- 16 • incur or create liens;
- 17 • redeem and/or prepay certain debt;
- 18 • pay dividends on our stock or repurchase stock;
- 19 • make certain investments; and
- 20 • engage in specified sales of assets.

21 In addition, our credit facilities require Frontier to comply with specified financial ratios,
22 including a maximum first lien coverage ratio. Any future indebtedness may also require
23 us to comply with similar or other covenants. The risk factors identified in Frontier's 10-
24 Q explain further that these restrictions on the Company's ability to operate could

1 seriously harm Frontier’s business by, among other things, limiting its ability to take
2 advantage of financing and other corporate opportunities. Frontier’s failure to comply
3 with any of the covenants in the existing financing agreements could result in a default
4 under those agreements and under other agreements containing cross-default provisions.
5 A default would permit lenders to accelerate the maturity for the debt under these
6 agreements and to foreclose upon any collateral securing the debt. Under these
7 circumstances, Frontier might not have sufficient funds or other resources to satisfy all its
8 obligations. As a result, Frontier has determined that it will not issue additional debt to
9 increase its planned fiber build beyond 10 million passings to be completed next year.

10 **Q20. PLEASE EXPLAIN WHY FRONTIER CANNOT SIMPLY USE THE REVENUES**
11 **AND CASH GENERATED FROM ITS ONGOING OPERATIONS TO FUND**
12 **ADDITIONAL FIBER DEPLOYMENT.**

13 A20. The Company has been using all of its cash from ongoing operations plus the cash
14 received from debt financing activities to fund fiber deployment and ongoing network
15 maintenance over the last four years. As reported in Frontier parent’s 10-K reports, over
16 the last three years Frontier’s cumulative net income from its 25-state operations has been
17 a combined total of \$148 million over three years. For the most recent year, calendar
18 2024, Frontier’s net *loss* was \$322 million. The substantial investment in fiber has
19 resulted in the growth of our debt balance and the pace of Frontier’s fiber expansion is
20 not sustainable long-term for the reasons I have already stated. Frontier cannot continue
21 to add debt to the balance sheet and increase our financial leverage because this causes
22 the cost of additional borrowings to become prohibitively expensive. Our plan to pause
23 our fiber build at 10 million passings is intended to allow us to maintain our level of
24 financial leverage while we continue to maintain the existing network, connect more
25 customers, and service the principal and interest cost of our considerable debt balance. If

1 the Transaction does not proceed, as a stand-alone company, I would expect Frontier to
2 focus on growing our customer base on the extensive fiber we have deployed, repaying
3 and refinancing our debt, and very selectively investing, at a much slower pace, in fiber
4 deployment in the areas that generate the greatest potential opportunity for returns on that
5 investment. We cannot continue fiber expansion at the current pace.

6 **Q21. COULD FRONTIER GENERATE ADDITIONAL CAPITAL THROUGH**
7 **SECURITIZATION OF ITS FIBER ASSETS?**

8 A21. No. If Frontier were to continue to raise securitization debt and move assets out of the
9 non-securitization collateral pool, the ratings on the non-securitization debt would
10 deteriorate to an unacceptable level. Further, the banks that underwrite Frontier's \$925
11 million Revolving Credit Facility ("RCF") have imposed restrictive covenants on
12 Frontier's financing that prohibit the amount of debt capital Frontier can raise. These
13 covenants preclude the issuance of more than \$5.5 billion of securitization debt. In
14 addition, 40% of proceeds from securitization issuances up through \$3.5 billion and
15 100% after \$3.5 billion require the repayment of other existing debt. The RCF is
16 governed by a maximum total first lien leverage ratio (inclusive of asset backed
17 securitization) of 5.25x, stepping down to 4.75x on 3/31/27, and continuing thereafter.
18 Adding additional securitization debt to build more than 10 million fiber passings would
19 increase Frontier's first lien debt-to-EBITDA ratio and risk violating this covenant in
20 March 2027. Frontier's ability to fund additional fiber investments is therefore capped at
21 the planned 10 million fiber passings to be completed by the end of 2026. Even if the
22 RCF covenants were removed (which is unlikely without several other concessions by the
23 Company), raising more debt would make refinancing of existing debt prohibitively
24 expensive, if not impossible.

1 **Q22. COULD FRONTIER EXPERIENCE A DEBT RATING DOWNGRADE IF THIS**
2 **TRANSACTION IS NOT APPROVED?**

3 A22. Yes. It is likely that ratings on Frontier’s debt may be negatively impacted if the
4 Transaction is not approved and does not close. In its January 6, 2025 release, Moody’s
5 stated: << **BEGIN CONFIDENTIAL** [REDACTED]

6 [REDACTED]
7 [REDACTED]

8 [REDACTED] **END CONFIDENTIAL**>> Ratings downgrades would make it prohibitively
9 expensive or impossible for Frontier to refinance the \$6.8 billion of debt maturing
10 between 2027 and 2029 and would therefore potentially impact Frontier’s operations
11 going forward in terms of higher borrowing costs and therefore, increased interest
12 expenditures. The need to redirect cash generated from operations to higher debt costs
13 would undoubtedly impact the resources Frontier has available for supporting and
14 enhancing the network and service for its existing customers.

15 **IV. FRONTIER’S OPERATIONAL PLANS IF THE TRANSACTION**
16 **IS NOT CONSUMMATED**
17

18 **Q23. HOW MUCH HAS FRONTIER INVESTED IN CALIFORNIA OVER THE PAST**
19 **FOUR YEARS?**

20 A23. Frontier has invested significant capital in its California service territory over the past
21 four years. Below is a summary of the total capital expenditure figures for all of
22 Frontier’s California operating companies from 2021 to 2024:

⁵ This report is attached to my testimony as Confidential Exhibit AE-R-1 (FR_CD_0007269).

1

<<BEGIN CONFIDENTIAL

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

2

END CONFIDENTIAL>>

3

These data shows that Frontier’s California capital expenditures total more than \$2.6

4

billion in aggregate during the last four years alone. These expenditures have been made

5

to expand the availability of fiber infrastructure and improve the quality of service for

6

California customers, even as Frontier continues to lose customers to competition.

7

Q24. PLEASE DESCRIBE FRONTIER’S CURRENT AND FUTURE PLANS FOR FIBER DEPLOYMENT IN ITS 25-STATE FOOTPRINT AND IN CALIFORNIA.

8

9

A24. In 2021, Frontier publicly announced its goal to pass 10 million locations with fiber. At

10

that time, Frontier had approximately 3.2 million fiber passings across its 25-state

11

footprint. Frontier has made substantial progress expanding fiber—it has added more

12

than 4.8 million fiber passings, or over 1 million locations annually since 2022—and is

13

currently on track to meet its goal of 10 million fiber passings by the end of 2026. As of

14

March 31, 2025, it had cumulatively passed more than 8 million locations with fiber.

15

Frontier is targeting completing approximately <<BEGIN CONFIDENTIAL [REDACTED]

16

END CONFIDENTIAL>> fiber passings across its 25-state footprint in calendar year

17

2025. Frontier then plans to complete <<BEGIN CONFIDENTIAL [REDACTED] END

18

CONFIDENTIAL>> additional fiber passings in 2026 to reach its 10 million target.

19

Frontier has no plans to expand fiber passings beyond 2026 other than the fiber

20

deployment it completes to fulfill its Rural Digital Opportunity Fund (“RDOF”)

1 obligation, Broadband Equity, Access and Deployment (“BEAD”) awards, if any, and
2 other awarded federal or state subsidized broadband grants.

3 With respect to California, as I explained in my Supplemental Testimony,
4 Frontier has deployed new fiber past more than 1 million locations in the last five years.
5 Frontier’s fiber deployment since emerging from Chapter 11 is on top of the
6 approximately 1.3 million fiber locations Verizon had previously completed in the
7 Frontier California Inc. service territory prior to Frontier’s purchase of this entity in 2016.
8 After 2025, Frontier does not plan to complete any additional fiber deployment in
9 California, except fiber deployment associated with its RDOF, California Advanced
10 Services Fund (“CASF”), Federal Funding Account (“FFA”), BEAD (if any) and other
11 awarded federal or state subsidies/grants—all of which require Frontier to contribute a
12 substantial amount of matching capital expenditures from its own funding sources (*e.g.*,
13 revenues or debt).

14 **Q25. WHY IS FRONTIER SCALING BACK ITS FIBER DEPLOYMENT IN**
15 **CALIFORNIA?**

16 A25. As noted above, Frontier has deployed fiber to more than 1 million locations in
17 California. Frontier has previously been able to complete fiber deployments with an
18 average cost of approximately <<BEGIN CONFIDENTIAL [REDACTED] END
19 CONFIDENTIAL>> per location. As a result of Frontier’s fiber deployment (combined
20 with the fiber deployed prior to 2021), fiber was available to 2,112,420 locations (*i.e.*,
21 units) in Frontier’s ILEC footprint in California (per Frontier’s BDC data as of June 30,
22 2024). Frontier is continuing limited fiber deployment in California through the
23 remainder of 2025. Thereafter, remaining unbuilt locations are either too costly and/or

1 complex to fiberize and/or are not economical for Frontier to prioritize over lower cost
2 fiber deployment projects and locations in other states.

3 Frontier's fiber deployment to date has required substantial capital investment and
4 as I explained above, Frontier has incurred a significant amount of indebtedness, which
5 presents challenges for the Company in both the short and long-term. Frontier's current
6 debt level places limitations on the Company's ability to obtain additional financing on
7 favorable terms and may affect its flexibility to react to expected and unexpected
8 competitive, technological and other changes in the industry. At this time, Frontier does
9 not have funding in place or access to funding for further investment or additional
10 network buildouts in California beyond this year other than fiber deployment associated
11 with its RDOF, CASF, FFA, BEAD (if any) and other awarded federal or state
12 subsidies/grants.

13 Once Frontier completes its planned 10 million passings, further fiber expansion
14 will slow to a crawl. Frontier has no plans for additional deployment in California
15 because Frontier does not have the ability to take on additional debt to continue to build
16 fiber at its current rate and because the costs of deploying fiber to additional locations are
17 too high.

18 **Q26. IF THE TRANSACTION IS NOT APPROVED OR IS NOT COMPLETED, WHAT**
19 **WILL BE THE IMPACT ON FRONTIER'S FUTURE OPERATIONS?**

20
21 A26. Frontier must produce adequate revenues and operating cash flows that—when combined
22 with cash on hand and borrowing under our revolving credit facility and other
23 financings—is sufficient to service our debt and fund our capital expenditures, taxes,
24 pension, other employee benefit obligations, and other operating expenses. Frontier has
25 undertaken, and expects to continue to undertake, programs and initiatives with the

1 objective of improving revenues, profitability, and cash flows. Historically, Frontier has
2 experienced significant challenges in achieving such improvements as evidenced by the
3 fact that in 2020, Frontier and all of its subsidiaries entered into Chapter 11 restructuring.
4 Absent consummation of this Transaction, there can be no assurance that Frontier's
5 current and future initiatives and programs will be successful, or that the actual returns
6 from these programs and initiatives will not be lower than anticipated or take longer to
7 realize than anticipated. If current and future programs and initiatives are unsuccessful,
8 result in lower returns, or take longer than anticipated to deliver results, it could have a
9 material adverse effect on Frontier's financial position, our ability to meet capital
10 requirements to maintain the network, and our operations.

11 **Q27. WHAT IS THE LIKELY IMPACT ON CUSTOMER RATES IF THE**
12 **TRANSACTION IS NOT APPROVED OR DOES NOT CLOSE?**

13 A27. Although Frontier has the ability to increase its voice and broadband rates, it has elected
14 not to do so as aggressively as other carriers. Frontier has not made any determinations
15 on how telephone and broadband service rates would be changed if the Transaction does
16 not close and Frontier then does not have the financial benefits (*e.g.*, less expensive
17 access to capital, etc.) that will result from the Transaction. However, as I have noted,
18 Frontier is facing financial challenges associated with its existing debt and the inability to
19 fund fiber deployment beyond 2026. As a result, in the event the Transaction is not
20 approved or otherwise does not close, I anticipate that Frontier would need to
21 aggressively and immediately increase both telephone and broadband service rates to
22 augment its revenues and cash flow for funding debt and other expenditures. This would
23 be an unfortunate but likely necessary consequence of the Transaction not closing, which
24 underscores the consumer benefits at stake here.

1 **III. FRONTIER’S SERVICE QUALITY RESULTS**

2 **Q28. DO INTERVENORS CORRECTLY CHARACTERIZE FRONTIER’S SERVICE**
3 **QUALITY PERFORMANCE?**

4 A28. No. On behalf of Cal Advocates, Mr. Blackburn fixates on Frontier’s challenges in
5 meeting the 24 hour “out of service” or “OOS” restoral metric applicable to Plain Old
6 Telephone Service (“POTS”), without putting this standard in its proper context or
7 looking at Frontier’s service quality as a whole. Cal Advocates also attempts to equate
8 voice outage restoration timeframes with a need for enhanced fiber investment, when, in
9 fact, service restoration is more directly a function of staffing and maintaining the right
10 quantity and location of technician service personnel to respond to outages and not an
11 indicator of network health. It is clear from this testimony that Cal Advocates is
12 stretching for any argument it can make to advance its separate public policy argument
13 for expanded fiber deployment.

14 In addition, Ms. Martinez misleadingly applies the standards applicable to POTS
15 under General Order (“G.O.”) 133-D to Frontier’s broadband services and asserts that
16 Frontier’s broadband service quality performance on these inapplicable metrics is
17 “substandard.”⁶ Despite this misleading portrayal throughout her testimony, she admits
18 that the G.O. 133-D standards apply only to “traditional telephone service,” and “the
19 Commission has not yet adopted specific broadband standards.”⁷ In fact, the
20 Commission has not adopted any standards governing broadband service quality, but will
21 consider this issue in Phase 2 of its pending service quality rulemaking (“R”) 22-03-016.⁸

⁶ See, e.g., *Martinez Testimony* at 11-12 (claiming Frontier’s broadband service quality performance is “substandard” under G.O. 133-D standards).

⁷ *Id.* at 8.

⁸ R.22-03-016, *Scoping Ruling* at 3.

1 As I will describe below, Ms. Martinez challenges Frontier’s overall strong broadband
2 service quality by mischaracterizing and selectively focusing on certain G.O. 133-D
3 metrics, which are not applicable to broadband service.

4 **Q29. WHAT SERVICE QUALITY METRIC DO YOU BELIEVE IS THE MOST**
5 **MEANINGFUL?**

6 A29. The customer trouble report rate (“CTRR”) metric is a more meaningful indicator of
7 network health for a telecommunications company than other metrics, including OOS
8 restoral in 24 hours. The CTRR measures the number of troubles and outages reported
9 by customers per 100 lines. A lower customer trouble rate indicates a more reliable and
10 stable network. Since this standard accounts for all troubles, not just out-of-service
11 related troubles, this number would be significantly higher if the network were defective.
12 Because the CTRR metric is an indicator of the overall network for a telecommunications
13 company, Frontier’s CTRR metric is a more accurate reflection of the condition of its
14 copper network. As I elaborate below, Frontier’s network has consistently met and
15 significantly exceeded compliance with the Commission’s CTRR benchmark in the G.O.
16 133-D service quality standards. As a result, Frontier’s CTRR performance data
17 undermines Cal Advocates’ suggestion that Frontier should be required to replace any of
18 its existing copper network with other technologies such as fiber.

19 **Q30. HOW HAS FRONTIER PERFORMED RELATIVE TO THE COMMISSION’S**
20 **CTRR?**

21 A30. Very well. The Commission’s standard for CTRR is reported troubles per 100 lines over
22 a telephone company’s entire service area. The Commission has recognized that, when
23 calculating trouble report rates, wire centers with a small number of access lines create
24 different challenges versus those that have a greater number of access lines and,
25 therefore, set a higher allowable rate in smaller wire centers. For wire centers under

1 1,000 lines, the CTRR is 10.0. For those with 1,001-2,999 access lines, it is 8.0. And for
 2 those with greater than 3,000 access lines, it is 6.0.

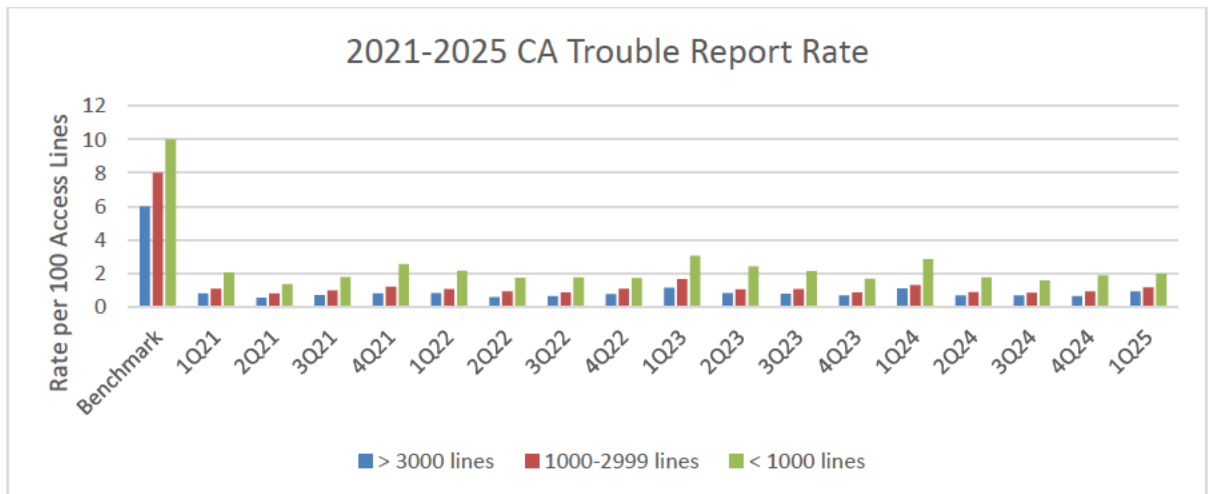
3 Frontier has met the CTRR every single month from January 2021 through March
 4 2025—an over four-year period in which Frontier has never missed the CTRR metric.

5 The following table shows Frontier’s quarterly performance related to the Company-wide
 6 trouble report rate for 2021 through March 2025:

2021	Measure	1Q21	2Q21	3Q21	4Q21
	> 3000 lines	0.80	0.56	0.70	0.81
	> 3000 Benchmark	6	6	6	6
	1000-2999 lines	1.09	0.80	1.00	1.20
	1000-2999 Benchmark	8	8	8	8
	< 1000 lines	2.06	1.36	1.78	2.56
	< 1000 Benchmark	10	10	10	10
2022	Measure	1Q22	2Q22	3Q22	4Q22
	> 3000 lines	0.84	0.60	0.64	0.77
	> 3000 Benchmark	6	6	6	6
	1000-2999 lines	1.06	0.92	0.87	1.09
	1000-2999 Benchmark	8	8	8	8
	< 1000 lines	2.16	1.74	1.77	1.73
	< 1000 Benchmark	10	10	10	10
2023	Measure	1Q23	2Q23	3Q23	4Q23
	> 3000 lines	1.14	0.83	0.79	0.68
	> 3000 Benchmark	6	6	6	6
	1000-2999 lines	1.65	1.05	1.07	0.86
	1000-2999 Benchmark	8	8	8	8
	< 1000 lines	3.06	2.42	2.14	1.69
	< 1000 Benchmark	10	10	10	10
2024	Measure	1Q24	2Q24	3Q24	4Q24
	> 3000 lines	1.10	0.69	0.69	0.65
	> 3000 Benchmark	6	6	6	6
	1000-2999 lines	1.30	0.88	0.85	0.93
	1000-2999 Benchmark	8	8	8	8
	< 1000 lines	2.85	1.76	1.59	1.88
	< 1000 Benchmark	10	10	10	10

2025	Measure	1Q25			
	> 3000 lines	0.92			
	> 3000 Benchmark	6			
	1000-2999 lines	1.17			
	1000-2999 Benchmark	8			
	< 1000 lines	1.99			
	< 1000 Benchmark	10			

1 Again, these data show that Frontier met the applicable CTRR every month in every
2 category of wire center since January 1, 2021 (51 consecutive months). The following
3 table shows Frontier’s quarterly CTRR performance for the period January 2021 through
4 March 2025 further broken out using the Commission standards for exchanges with more
5 than 3,000 lines (blue); 1,000 to 2,999 lines (red); and less than 1,000 lines (green):



6
7 This table shows that quarter after quarter for the last 4+ years, Frontier has met the
8 applicable Commission standard and in fact had substantially better network
9 performance for the Commission’s applicable CTRR under the G.O. 133 standards.

10 **Q31. HOW DOES THE CALIFORNIA TROUBLE REPORT STANDARD COMPARE**
11 **TO STANDARDS IN OTHER STATES?**

12 A31. Cal Advocates asserts that California’s CTTR standard under G.O. 133 is too lenient and
13 therefore, the Commission should give little weight to the fact that Frontier has

1 consistently met the G.O. 133 “trouble report” standard. I disagree and believe it is
2 important to highlight the inconsistency in Cal Advocates’ position.⁹ On the one hand,
3 Frontier has consistently met the Commission standard that directly relates to the quality
4 of its copper telephone network, yet Cal Advocates asserts that this achievement should
5 be ignored in terms of whether Frontier’s copper network is capable of providing high
6 quality reliable service. On the other hand, Cal Advocates focuses extensively on the fact
7 that Frontier’s operations team has failed to consistently restore out of service troubles in
8 24 hours to suggest that the quality of Frontier’s copper network is poor and must be
9 replaced with fiber. Cal Advocates also focuses on outdated 2010-2017 data and findings
10 from the Phase I Network Exam that are not specific to Frontier’s historical or current
11 CTRR or operations.¹⁰ Even if there were some merit (which there is not) to Cal
12 Advocates’ position on the rigor of the CTRR standard in California, Frontier’s
13 California ILECs’ CTRR performance has consistently met more rigorous standards the
14 Company is subject to in other states. The following is a table illustrating states with
15 trouble report benchmarks in Frontier’s service territory, including California.

⁹ *Martinez Testimony* at 21:6-15.

¹⁰ See *Martinez Testimony* at 21:8-11.

State	Reporting	Benchmark
Alabama	N	≤ 5.0
California	Y	$\leq 1,000$ AL = 10.0 CTRR 1,001 – 2,999 AL = 8.0 CTRR $\geq 3,000$ AL = 6.0 CTRR
Connecticut	Y	≤ 2.25
Georgia	Y	≤ 4.0
Minnesota	N	≤ 6.5
Nebraska	N	≤ 6.0
New York	Y	≤ 3.3
Pennsylvania	N	≤ 5.5
South Carolina	Y	$< 7,500$ AL = 7.0 CTRR $\geq 7,500$ AL = 5.0 CTRR
Tennessee	Y	$< 3,000$ AL = ≤ 9.5 3,000-14,000 AL = ≤ 6.5 14,000 AL = ≤ 6.0
Virginia	Y	≤ 3.0
West Virginia	Y	≤ 6.0

1
2 The lowest CTRR rate in these states is 3 troubles per 100 access lines. Crucially,
3 Frontier’s CTRR in California over the last four years has consistently been less than 3
4 troubles per 100 lines per month. This fact demonstrates that even with a more rigorous
5 trouble report rate standard, the quality of Frontier’s copper network is good and that
6 California customers served by copper facilities are not experiencing a high number of
7 troubles.

8 Because CTRR compliance is a measure of overall network health, Frontier’s
9 CTRR performance confirms its network, including its legacy copper network, is healthy
10 and robust.

1 **Q32. WHY HAS FRONTIER EXPERIENCED CHALLENGES WITH MEETING THE**
2 **“OUT OF SERVICE” RESTORAL STANDARD?**

3 A32. Frontier’s difficulties with the OOS standard primarily stem from technician staffing
4 capacity and locations, balancing staffing for repairs for installation of new services, and
5 the high unpredictability and variability of OOS report volumes. As is always the case
6 with a telephone network, customers experience and report some outages to Frontier.
7 The number of troubles and outages vary based on severe weather and other events
8 outside of Frontier’s control like cable cuts or motor vehicles damaging Frontier’s
9 facilities. On a particular day when the number of troubles is low or normal, Frontier
10 may have sufficient technicians to meet demand and timely repair service outages. On
11 days with a higher number of outages, the available technicians may not be able to
12 complete all reported troubles within 24 hours. Even if the Company on average restores
13 troubles in less than 24 hours, if the Company fails to meet the 24 hour standard for more
14 than 10% of the trouble reports, Frontier is deemed to have missed the OOS standard in
15 the G.O. 133 standards.

16 **Q33. WHAT DOES FRONTIER’S OOS RESTORAL DATA SHOW?**

17 A33. Frontier’s reported OOS data shows strong, consistent improvement in this area. I will
18 discuss each operating company’s OOS data separately and, in more detail, below.

19 Frontier-California is the largest of the three Frontier ILECs and serves more than
20 90% of Frontier customers in California. Over a three-year period from 2021 through
21 2023, it met, or was within 10%, of the 90% OOS metric for 21 of the 36 months.
22 During the last year from May 2024 through March 2025, Frontier-California met, or was
23 within 10% of that objective, each and every month. Moreover, Frontier-California has

1 met the OOS standard every month for the last seven months (September 2024 through
2 March 2025), as reflected below:

Frontier California OOS Results	
2024 Sep	93.20%
2024 Oct	92.95%
2024 Nov	93.69%
2024 Dec	91.97%
2025 Jan	93.29%
2025 Feb	92.25%
2025 Mar	91.18%

3 CTC-California is significantly smaller than Frontier California and served
4 approximately 25,000 access lines as of March 2005. Over a 36-month period from 2021
5 through 2023, CTC California met or was within 10% of the 90% OOS metric for 21 of
6 the 36 months. As reflected in the table below, for September 2024 through March 2025,
7 CTC California met the 90% OOS objective each and every month:

CTC CA OOS Results	
2024 Sep	90.78%
2024 Oct	91.04%
2024 Nov	92.75%
2024 Dec	90.18%
2025 Jan	91.86%
2025 Feb	91.83%
2025 Mar	93.42%

8 Frontier-Southwest is the very smallest Frontier ILEC and has had less than 3000
9 access lines in total since 2021, and as of March 2025 has approximately 1600 total
10 access lines. Frontier-Southwest has only experienced on average of 40 to 50 outages a

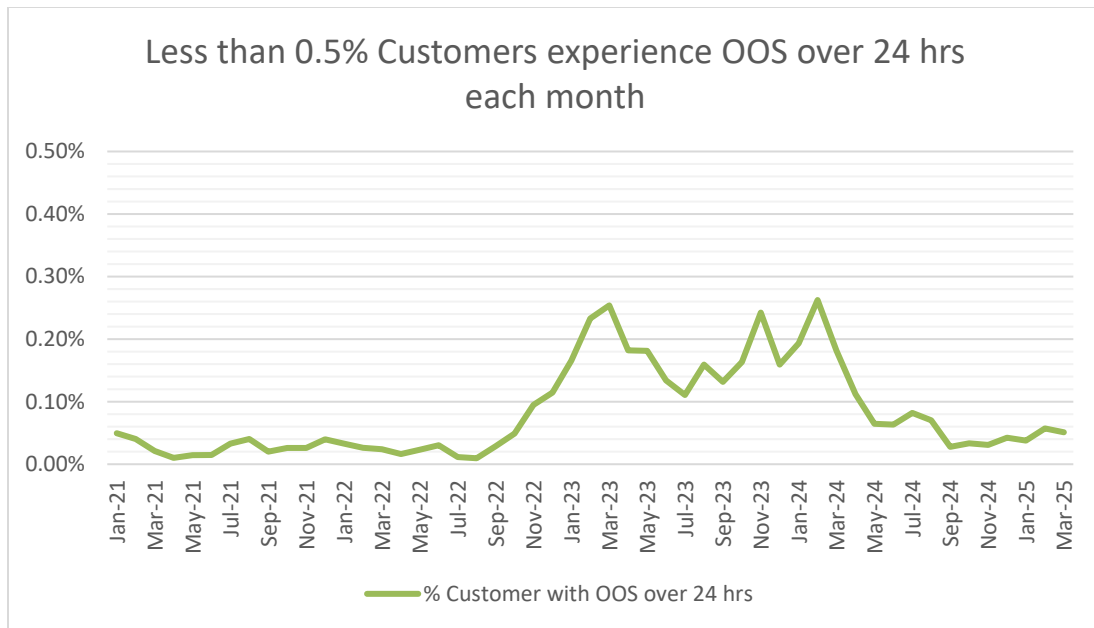
1 month. As a result, if Frontier-Southwest fails to restore 4 or 5 customers outages within
2 24 hours, it fails the 90% OOS metric. However, over a 48-month period from 2021
3 through 2024, it met or was within 10% of that objective more than 80% of the time. For
4 2024 and the first three months of 2025, Frontier-Southwest met or exceeded, or was
5 within 10%, of the 90% OOS metric thirteen of the last fifteen months.

6 Frontier's OOS restoral and fulfillment of the G.O. 133-D metric has improved in
7 large part because of the incremental expenditures Frontier has made in accordance with
8 the Settlement Agreement entered into with Cal Advocates, TURN and the
9 Communications Workers of America as reflected in Decision 21-04-008 relating
10 Frontier's Chapter 11 restructuring. Frontier has hired additional technicians and aligned
11 resources directed at OOS restoral. Frontier's recent performance, especially the fact that
12 Frontier's two largest ILECs have consistently met the G.O. 133-D out of service restoral
13 standard within 24 hours during the past seven months, refutes and undermines any
14 suggestion by Cal Advocates or the other Intervenors that Frontier's copper network is not
15 capable of providing high quality voice service and satisfying the Commission's
16 applicable rules.¹¹

17 **Q34. HAVE INTERVENORS TAKEN FRONTIER'S OOS PERFORMANCE OUT OF**
18 **CONTEXT?**

19 A34. Yes. While some customers have experienced a delayed time to repair within 24 hours,
20 the total number of customers with OOS tickets exceeding 24 hours is small.

¹¹ See *Martinez Testimony* at 9:6-18.



1

2 For the three California ILECs, the number of OOS tickets with the customer

3 experiencing an outage greater than 24 hours per month as a percentage of total access

4 lines was less than 0.003 (.3% or one-half of one percent) for 54 straight months from

5 January 2021 through March 2025. In other words, less than 3 out of every 1000

6 customers in any month experienced an outage greater than 24 hours. In terms of

7 aggregate number of customers impacted by an outage lasting more than 24 hours, during

8 the three year period from 2021 through 2023, on average, only 325 customers per month

9 (out of an average of more than 450,000 customer access lines) experienced an outage of

10 greater than 24 hours. During the last year from April 1, 2024 through March 31, 2025,

11 on average, only 162 customers per month (out of an average of more than 275,000

12 customer access lines) experienced an outage of greater than 24 hours. Thus, the data

13 demonstrate that month after month more than 99.7% of Frontier customers do not

14 experience an out of service event lasting more than 24 hours and that the telephone

15 outages lasting longer than 24 hours do not impact a high number of customers.

1 Therefore, even to the extent Frontier misses the OOS metric under the G.O. 133-D
2 requirements, it does not evidence widespread chronic copper network issues impacting
3 large groups of customers. It is also important to highlight that Frontier provides
4 customers with a pro rata credit on their billed telephone service if they experience an
5 outage of greater than 24 hours according to the G.O. 133-D standards.

6 **Q35. WHY WAS FRONTIER UNABLE TO MEET THE OOS METRIC EVERY**
7 **MONTH?**

8 A35. When evaluating Frontier’s OOS data, it is important to keep in mind certain facts about
9 the nature of any telecommunications company’s vast, interconnected, and complex
10 network. Telecommunications cables, both fiber and copper, are susceptible to damage
11 from third parties, weather, and other events. Despite maintenance efforts, some
12 degradation/disruption is inevitable and will cause intermittent troubles for customers.
13 For example, third party damage—including copper theft and vandalism—is a frequent
14 cause of service interruptions. In addition, all physical networks develop weaknesses
15 over time like loose connections, equipment malfunctions, and wiring faults that will
16 cause a small percentage of troubles no matter how well the network is built and
17 maintained.

18 I also note that the Commission’s standard of restoring out of service conditions
19 within 24 hours unfairly penalizes carriers like Frontier that do a good job at keeping the
20 number of troubles or outages low as measured against total lines. As noted above in my
21 testimony, Frontier has consistently met the Commission’s CTRR standard. If Frontier
22 had a higher number of troubles, a small number of difficult outages that cannot be
23 addressed in 24 hours would not skew the 90% OOS restoral metrics. Moreover, the
24 Company has a harder time meeting the OOS standard because of the nature of its service

1 territory and shrinking customer base, which is geographically dispersed. As a result,
2 isolated outages are spread out over a large geographic area making it more difficult to
3 reach customers and resolve issues in 24 hours. In looking at outages, it is appropriate to
4 consider the number of outages and repair time together, as a composite measure of how
5 likely a customer is to lose service in the first place and, if there is an outage, how long a
6 repair is likely to take. This measure better reflects the health of Frontier's network and
7 corrects the overweighting of repair times and underweighting of the low number of
8 outages.

9 **Q36. WHAT IMPACT DOES THE AVAILABILITY OF COMPETITIVE SERVICES**
10 **HAVE ON THE ISSUE OF FRONTIER'S OOS PERFORMANCE?**

11 A36. It is important to realize that California consumers have choices when they subscribe to
12 their telecommunications services. As I summarize below, for the vast majority of
13 consumers that experience unsatisfactory service with Frontier, the consumer has access
14 to a wireless phone, as well as a plethora of competitive options available to change and
15 discontinue service with Frontier. Specifically, as it relates to the Commission's out of
16 service restoral standard of 24 hours, if a consumer is unhappy with Frontier's restoral
17 interval, that consumer may switch to another provider.

18 The communications market in California, and nationwide, is intensely
19 competitive, and has been so for many years. Consumers in California choose everyday
20 among a variety of communications options, from voice to texting to email to social
21 media, and do so based on their preferred mix of price, quality, convenience, and other
22 attributes. They make that choice from among hundreds of providers offering an

1 unprecedented range of technologies, including ILEC,¹² competitive local exchange
2 carriers (“CLECs”), wireless carriers, cable companies, and both interconnected and
3 over-the-top Voice over Internet Protocol (“VoIP”) providers.

4 Wireless, VoIP, and broadband services have continued to improve in quality,
5 pricing, availability, and subscribership. Phone service using traditional time-division
6 multiplexing (“TDM”) service, by contrast, has significantly declined as consumers flock
7 to newer technologies. As the FCC observed in late 2020:

8 The Telecommunications Act of 1996 (the 1996 Act) changed the
9 focus of telecommunications law and policy from the regulation of
10 monopolies to the encouragement of robust intermodal
11 competition....

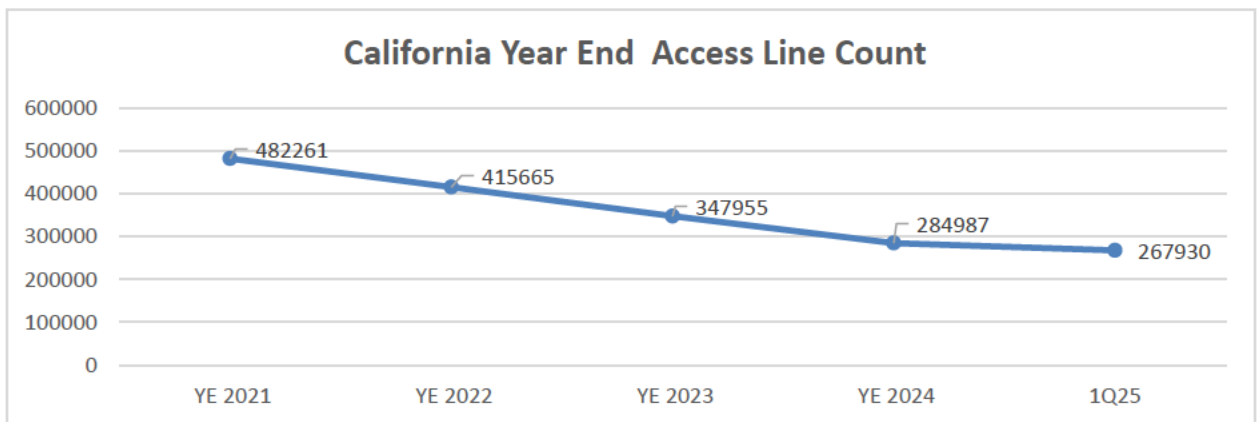
12 In the nearly quarter-century since the passage of the 1996 Act, the
13 telecommunications marketplace has transformed from a
14 marketplace dominated by monopolies to a marketplace
15 characterized by competition and technological innovation. Former
16 monopolist incumbent LECs are now one of many intermodal
17 competitors, facing fierce competition from competitive LECs,
18 cable providers, and wireless providers, among others. And that
19 competition has itself shifted from siloed markets to the Internet, as
20 increasingly local and long-distance voice, data, video, and nearly
21 all communications technologies are delivered via broadband
22 connections. The Commission has repeatedly adjusted the
23 incumbent LEC-specific obligations in the 1996 Act to account for
24 changed circumstances.¹³

¹² The term “incumbent” is a misnomer and, to the extent that it connotes superior market position based upon legacy operations, this is most certainly not true today, nor has it been for quite some time. The federal definition is as follows: “An Incumbent Local Exchange Carrier is an entity that was providing local exchange telephone service in a particular area on February 8, 1996, the date on which the Telecommunications Act of 1996 was enacted into law.” See 47 C.F.R. § 51.5. The telecommunications industry has changed dramatically since that time.

¹³ See *In the Matter of Modernizing Unbundling and Resale Requirements in an Era of Next-Generation Networks and Services*, FCC 20-152, Report and Order Paragraphs 1 and 2 (Released October 28, 2020). <https://docs.fcc.gov/public/attachments/FCC-20-152A1.pdf>

1 **Q37. IS THERE COMPETITION FOR VOICE SERVICE IN FRONTIER’S**
2 **CALIFORNIA TERRITORIES?**

3 A37. Yes. There are a multitude of competitors for voice service in Frontier’s California
4 service territory. Wireless and cable are two of the most prominent, but there are also
5 networks that offer “over the top” VoIP services and satellite communications. This
6 competition has existed for some time and has only grown more vigorous in recent years.
7 The total number of access lines plays a pivotal role in understanding OOS data. In
8 general, across its footprint in California, Frontier has experienced, and continues to
9 experience, year-over-year declines in its customer base. This is reflected as loss of more
10 than 200,000 telephone access lines—from 482,261 to 267,903—in under four years:



11 This loss of access lines is occurring across all three Frontier ILECS. For example, in
12 2021, Frontier California had 434,743 access lines; in 2024, it dropped to 255,454. In
13 2021, CTC California had 44,618 access lines; in 2024, it dropped to 27,832. In 2021,
14 Southwest California had 2,900 access lines; in 2024, it dropped to 1,701. In general,
15 each operating company experienced an access line loss of approximately 18% in 2024
16 alone. Frontier reasonably expects this level of decline to continue throughout 2025 and
17 into the following years.
18

1 **Q38. ARE YOU FAMILIAR WITH DATA REPORTED BY THE FCC SHOWING THE**
 2 **PERCENTAGE OF VOICE SUBSCRIPTIONS BY VARIOUS CATEGORIES OF**
 3 **PROVIDERS AND TECHNOLOGIES?**

4 A38. Yes. The FCC statistics show that cell service subscriptions in the State of California
 5 increased over 50%, while the subscriber counts for ILEC TDM voice in the state have
 6 plummeted by almost 90% over the last fifteen years:¹⁴ The ILEC voice market share has
 7 been decimated by competition.

8 **Q39. ARE THESE TRENDS CONTINUING?**

9 A39. Yes. I have reviewed the FCC’s most recent Voice Telephone Services report from
 10 2024¹⁵ showing the breakout of consumers and businesses served by wireless and
 11 wireline service providers in California. These data, summarized in the chart below
 12 shows that the number of subscribers to wireless (mobile) voice service is over five (5)
 13 times the number of subscriptions to wireline voice service in the state. In addition, the
 14 percentage of wireline voice subscriptions served by non-ILECs, like cable and other
 15 VoIP providers, represents 75% of the remaining wireline voice subscriptions. These
 16 data further demonstrate the relatively small percentage and continuing decline in the
 17 number of California consumers that rely on their ILEC to receive their voice service.

Table S1. Voice Subscriptions (in Thousands) - California

Data element	Dec 2022	June 2023	Dec 2023
Mobile telephony	46,426	47,209	48,351
Wireline End-User Switched Access Lines and Interconnected VoIP Subscriptions	10,778	10,135	9,620
Incumbent LECs	2,969	2,563	2,408
Other (Non-ILECs) - Note: ILEC voice-service affiliate operating outside ILEC's study area is included here.	7,810	7,572	7,212

¹⁴ Voice Telephone Services: Status as of December 31, 2023, FCC Office of Economics and Analytics (Released November 2024) (“*FCC 2024 Voice Report*”); <https://www.fcc.gov/voice-telephone-services-report>; See also <https://docs.fcc.gov/public/attachments/DOC-407308A1.pdf>; https://www.fcc.gov/sites/default/files/VTS_Historical_Data_Thru_D23.zip; and *Table S1 - https://www.fcc.gov/sites/default/files/VTS_State_Subscriptions_D22_to_D23.xlsx*

¹⁵ *FCC 2024 Voice Report; Table S1*

https://www.fcc.gov/sites/default/files/VTS_State_Subscriptions_D22_to_D23.xlsx.

1 **Q40. PLEASE DISCUSS THE AVAILABILITY OF WIRELESS VOICE SERVICE IN**
2 **THE FRONTIER’S CALIFORNIA SERVICE AREA.**

3 A40. As noted above, TDM wireline voice service has continued its steep and steady decline
4 for several years as consumers transition to wireless service as their sole means for voice
5 service. Wireless prices are down, quality is up, and “consumers have benefitted greatly
6 from the resulting increase in higher data speeds, expanded network coverage, and
7 increased network densification,”¹⁶ as well as “device promotions, unlimited data
8 services, bundled service offerings, additional incentives, free add-ons, and more.”¹⁷

9 According to the latest National Health Interview Survey (“NHIS”) Early Release
10 Program,¹⁸ at the end of 2023, 75.2% of adults nationally live in wireless-only
11 households, while only 2% of adults live in a household that only has a wireline phone.
12 Table 4 in the FCC’s November 2024 Voice Services report¹⁹ shows 48,351,000 mobile
13 voice telephone subscriptions in California as of December 31, 2023. The report shows
14 the population for California is 39,356,000, for a ratio of subscriptions to people of 1.23.
15 That would lead me to surmise that mobile service is readily available and subscribed to
16 across the state.

17 **Q41. IS THE WIDESPREAD USE AND AVAILABILITY OF MOBILE WIRELESS**
18 **DEVICES RELEVANT WHEN EVALUATING OOS PERFORMANCE?**

19 A41. Yes, it is. The data above show that almost all Californians have a cell phone. This
20 means that if their landline phone experiences a loss of dial tone, a vast majority of

¹⁶ FCC 2020 Competition Report, 36 FCC Rcd. 2945, ¶ 50.

¹⁷ *Id.*, at ¶ 38 (internal quotation marks omitted).

¹⁸ See *NHIS Early Release: Wireless Phone Use* (June 2024) - <https://www.cdc.gov/nchs/nhis/early-release/wireless-substitution.html> and

<https://www.cdc.gov/nchs/data/nhis/earlyrelease/wireless202406.pdf>.

¹⁹ This report is available at the following link: <https://docs.fcc.gov/public/attachments/DOC-407308A1.pdf>.

1 customers still have access to the telecommunications network to stay connected with
2 family and friends, contact emergency services such as 911 and law enforcement, and
3 continue to work or manage their businesses. With the meteoric rise of cell phone
4 penetration across California, focusing on the OOS metric alone does not tell the whole
5 story in terms of understanding whether out-of-service customers are without any means
6 to communicate with and contact others.

7 **Q42. WOULD YOU PLEASE DESCRIBE THE ERRORS IN MS. MARTINEZ’S**
8 **TESTIMONY RELATING TO FRONTIER’S BROADBAND SERVICE**
9 **QUALITY?**

10 A42. First, it is important to reiterate that the G.O. 133-D standards do not apply to broadband
11 service and there is no requirement for Frontier or any broadband provider to meet the
12 G.O. 133-D standards for its broadband services. Companies like Frontier use and apply
13 their own business criteria and service quality standards for broadband services. If the
14 G.O. 133-D requirements applied to broadband (which again they do not), Frontier would
15 put processes and procedures to try to meet the applicable standards. As a result, the
16 Commission should give no weight to Cal Advocate’s attempt to overlay G.O. 133-D
17 telephone voice service standards on broadband services.

18 Second, in misapplying G.O. 133-D standards to Frontier’s broadband services,
19 Ms. Martinez’s testimony contains multiple errors and I will provide a few examples
20 illustrating them. First, Ms. Martinez claims that “[a]nalysis of Frontier’s data between
21 May 1, 2021, and June 30, 2024, demonstrates a steady increase in the total number of
22 trouble tickets”²⁰ However, her own Table 1 shows that Frontier’s unregulated
23 broadband trouble tickets in 2024 *declined* as compared to the number of trouble tickets

²⁰ *Martinez Testimony* at 10:12-13.

1 in 2022 and 2023.²¹ It also shows a *decline* in average duration of trouble tickets in
2 2024.²²

3 Third, Ms. Martinez claims that “Frontier’s broadband installation performance . .
4 . for residential and business services from May 2021 to June 2024, consistently failed to
5 meet the Commission's 5-day standard as depicted in figure 4.”²³ As noted above, the
6 Commission does not have a “5-day standard” for broadband installations as Ms.
7 Martinez falsely claims. Indeed, the G.O. 133-D Installation Interval standard does not
8 even apply to Frontier’s voice services; it applies only to GRC ILECs.²⁴ Even if this
9 metric applied, Ms. Martinez does not correctly apply it as she admits in a footnote that
10 she is using unadjusted figures and weekends and holidays are not excluded as is allowed
11 under the G.O. 133-D standards.²⁵ Importantly, the G.O. 133-D Installation Interval
12 applicable to GRC ILECs is measured in “*business days*” and appropriately excludes “all
13 orders having customer requested appointments (CRS) later than the utility’s
14 commitment dates.”²⁶ Indeed, Frontier explained in its response to the referenced Cal
15 Advocates’ DR 2.14 that “[t]hese data reflect customer requested appointment dates and
16 times based on the customer’s availability and convenience as broadband installations
17 require the customer to be home at the time of installation.”²⁷ Ms. Martinez’s misleading

²¹ *Martinez Testimony* at 11, Table 1. While 2024 only represents six months of data, the number would still be lower if you annualize this data. In addition, 2021 only reflects eight months of data, so the increases in trouble tickets in 2022 and 2023 are not as significant as Ms. Martinez notes. *Id.* at 10:12-17.

²² *Martinez Testimony* at 11, Table 1.

²³ *Martinez Testimony* at 24:19-22.

²⁴ G.O. 133-D, § 3.1. A pending proposed decision in the Commission’s service quality docket (R.22-03-016) would revise and expand the application of this metric to Frontier and other telephone providers.

²⁵ *Martinez Testimony* at 24:19-22, n.76.

²⁶ G.O. 133-D, § 3.1(b), (c).

²⁷ *Martinez Testimony*, “A2410006 Appendix B Exhibits of Public Advocates Office Opening Testimony of Alejandra Martinez Cal Adv-07C CONFIDENTIAL FRONTIER,” Exhibit C-16 at PDF page 1639 (Frontier’s Response to question 2.14).

1 portrayal of Frontier’s performance on an inapplicable metric should be afforded no
2 weight.

3 Finally, while acknowledging that Frontier’s fiber services “largely meet
4 advertised broadband speeds,” she claims that a “significant performance disparity exists
5 within its legacy copper-based DSL network.”²⁸ This fact and conclusion is not
6 surprising. Fiber provides faster broadband speeds than DSL, but DSL remains capable
7 of providing access to the internet that fulfills the needs of many consumers. Again, Cal
8 Advocates has attempted to disparage DSL service in an attempt to support its public
9 policy position seeking ubiquitous fiber throughout California. It is attempting to
10 leverage this Transaction to advance its policy goal. In sum, the actual data sources upon
11 which Ms. Martinez relies undermine her incorrect claims regarding Frontier’s alleged
12 “substandard” broadband service quality performance. Frontier has not failed to meet
13 any applicable service standards because the G.O. 133-D standards do not apply to
14 broadband and Frontier applies its own service performance standards and practices for
15 assessing customer satisfaction with its broadband services. There is no basis for the
16 Commission to find that Frontier’s broadband service quality has declined or fails to meet
17 any applicable standard.

²⁸ *Martinez Testimony* at 38:6-7.

1 **Q43. IN HIS TESTIMONY, DR. SELWYN DISCOUNTS THE COMPETITIVE**
2 **IMPORTANCE OF BEING ABLE TO OFFER CUSTOMERS A SERVICE**
3 **BUNDLE THAT INCLUDES WIRELESS SERVICE AND SUGGESTS THAT**
4 **THERE IS NO REASON WHY FRONTIER COULD NOT ALREADY BE**
5 **OFFERING A MOBILE WIRELESS SERVICE TO ITS CUSTOMERS VIA**
6 **MOBILE VIRTUAL NETWORK OPERATOR (“MVNO”) AGREEMENTS**
7 **WITHOUT HAVING TO BECOME A PART OF VERIZON. HOW DO YOU**
8 **RESPOND?**

9 A43. Dr. Selwyn’s suggestion that there are not competitive impacts of Frontier’s inability to
10 offer bundled fixed and wireless services—which provides customers with a discount on
11 the combined services—is flatly wrong and does not align with well documented market
12 dynamics. Frontier currently faces challenges competing against a growing number of
13 competitors that are better resourced, have stronger brand recognition, and provide more
14 service offerings than Frontier, such as the cable companies that can bundle their service
15 offerings at competitive price points and provide customers with home broadband and
16 mobile wireless service packages, which Frontier does not offer. The ability to offer
17 Frontier service in combination with Verizon mobile wireless service in short order
18 following the close of the Transaction will meaningfully benefit Frontier’s existing
19 customers and enhance the competitiveness of the Frontier operations much faster and
20 thus, with more immediate benefit to consumers, than if Frontier were to become a
21 wireless reseller, which is not feasible for the reasons I outline below.

22 Consumers continue to show an increasing demand for broadband service bundles
23 that include wireless services. Highly respected telecommunications industry analysts
24 including S&P Global, NewStreet Research, MoffetNathanson, and TD Cowen, among
25 others, have been tracking the escalating competitive impacts of fixed and mobile
26 convergence. Over the past 5-6 years, the cable companies have increased their
27 converged customers—meaning customers who are purchasing fixed broadband and

1 wireless service—from 0% to 16%. This trend is forecasted to continue to grow and
2 reach over 25% in the next 2-3 years, presenting a risk to Frontier’s total addressable
3 market.

4 As noted in my direct testimony, Frontier does not have a wireless service
5 offering that it can make available to its end user customers, which could help Frontier to
6 counter traditional voice line loss. As I have explained above, FCC and the industry have
7 well documented the fact that over the last two decades, consumers have disconnected
8 traditional landline POTS telephone service at an extremely high rate and replaced it with
9 mobile wireless service. Without a wireless offer, Frontier has no chance to keep the
10 voice service of a “cord cutting” customer choosing to eliminate their wireline voice
11 service. The proposed Transaction would enhance Frontier’s ability to provide
12 wireless/internet service bundles like its primary competitors—much larger cable
13 companies such as Comcast and Charter—that offer internet/wireless service bundles.
14 Having the ability to offer customers more service options and bundled wireless services
15 and value will enable Frontier to better compete, especially with cable companies, and
16 enable the Company to reduce customer losses, generate additional revenues, and make
17 Frontier more financially secure—all of which will make Frontier a stronger company
18 and competitor and, thereby, provide substantial affirmative public benefits to customers
19 and consumers in California.

1 **Q44. DR. SELWYN SEEMS TO SUGGEST THAT THERE IS NOTHING**
2 **PREVENTING FRONTIER FROM BECOMING AN “MVNO” AND OFFERING**
3 **MOBILE SERVICE AS A RESELLER, SIMILAR TO HOW COMCAST AND**
4 **CHARTER ARE ABLE TO OFFER WIRELESS SERVICES TO THEIR**
5 **CUSTOMERS, AND THAT FRONTIER “MAY ACTUALLY BE IN A BETTER**
6 **POSITION” THAN THESE CABLE COMPANIES TO BUNDLE WIRELINE**
7 **AND RESOLD WIRELESS SERVICES. WHY IS HE WRONG?**

8 A44. Dr. Selwyn’s contention that Frontier may be “better positioned” than its behemoth
9 competitors—Charter and Comcast—to offer a wireless service on an MVNO basis is not
10 grounded in fact. Both Charter and Comcast have significant advantages over Frontier in
11 their ability to secure a more advantageous MVNO agreement—which requires extensive
12 negotiation (typically over an extended period of time) and agreement with a willing
13 mobile provider—and service mobile wireless customers. Most notable are their greater
14 financial resources, broader scope and scale of operations, much larger market presence
15 and customer bases, and years of experience operating as an MVNO, among other
16 factors.

17 For reference, Comcast operates in 40 states, has a market capitalization of \$128.6
18 billion, has 182,000 employees, and 51.3 million customers. Charter operates in 25
19 states, has a market capitalization of \$55.3 billion, has 95,000 employees, and 31.4
20 million customers. In contrast, Frontier operates in 25 states (with a modest footprint in
21 most), has a market capitalization of \$8.6 billion, has 12,700 employees, and
22 approximately 4.2 million customers. Scope and scale are important to be able to
23 effectively compete in the telecommunications industry. Market presence/opportunity for
24 subscriber growth are critical factors that enable a company to negotiate favorable terms
25 to make offering wireless service feasible from a business investment/economic
26 perspective.

1 Dr. Selwyn also incorrectly suggests that the launching an MVNO could be easily
2 achieved. Dr. Selwyn does not appear to understand the complexity of the MVNO
3 business model, including the investment of time and capital needed to launch such an
4 offering, or the operational advantages that Charter and Comcast have to help keep their
5 cost of providing the service low and their mass market pricing attractive. Both Charter
6 and Comcast have significant time in the market advantages over Frontier, having
7 launched their wireless services in 2017 and 2018, respectively. They have had nearly a
8 decade to refine their wireless operations including developing highly effective strategies
9 for offloading their wireless traffic—as high as 95% of their customer data traffic is
10 offloaded onto their highly developed, broadly deployed meshed Wi-Fi and Citizens
11 Broadband Radio Service (“CBRS”) spectrum²⁹—which keeps their cost of wireless data
12 very low. It would be very difficult, if not impossible, for Frontier to replicate these cost
13 mitigation strategies. As just one example, in 2020 both Comcast and Charter purchased
14 CBRS spectrum critical to their MVNO business model at \$459 million and \$464 million,
15 respectively. Frontier does not have the financial resources, broadly available Wi-Fi
16 network, or CBRS network to launch a reasonably comparable, competitive wireless
17 offer. However, Verizon is perfectly positioned to bundle its world-class wireless
18 services with Frontier’s existing services shortly following the Transaction close, and to
19 offer Frontier’s customers a high quality, competitive choice.

20 For the above reasons, Frontier cannot simply unilaterally decide to become an
21 MVNO or enter into other joint marketing agreements (not just because business
22 negotiations for these types of arrangements are extensive and time consuming) and

²⁹ See MoffetNathanson, “Cable and Telecom Convergence Wars,” March 20, 2023.

1 effectively compete with cable offerings that bundle mobile wireless service with home
2 internet. Frontier’s cable competitors have the ability to develop and expand their
3 communications and network infrastructures more quickly and adapt more swiftly to new
4 or emerging technologies and changes in customer preferences. In addition, the greater
5 brand name recognition of Frontier’s larger competitors gives them the ability to better
6 maintain their existing customers and continue to take customers from Frontier. The
7 proposed Transaction will enable Frontier to be part of a larger, better capitalized
8 company with a breadth of expertise and resources, including a rich portfolio of wireless
9 services, that will enable Frontier to more effectively compete (and survive) in a hyper-
10 competitive communications marketplace and bring greater product choice and value to
11 consumers.

12 **V. COSTS, FEASIBILITY, AND IMPLEMENTATION ISSUES WITH PROPOSED**
13 **CONDITIONS**

14
15 **Q45. ARE INTERVENORS’ PROPOSED CONDITIONS NECESSARY TO FIND**
16 **THAT THIS TRANSACTION IS IN THE PUBLIC INTEREST?**

17 A45. No. The Commission should not impose the conditions proposed by Intervenors when,
18 as here, the proposed Transaction provides substantial affirmative public benefits without
19 them. Conditions on the Transaction are not only inappropriate but also could
20 compromise the benefits of the Transaction to the detriment of Californians. The
21 telecommunications market is ever evolving, and Applicants need to retain the ability and
22 flexibility post close to best meet the demands of consumers and to respond to
23 competition. Specifically, mandated investments or onerous requirements hamstringing the
24 Applicants’ ability to react to and adapt to evolving market conditions and competition
25 and target direct investment where it will have maximum positive impact. In fact,
26 investments dictated by the Commission could have the counterproductive effect of

1 forcing investments and other expenditures where the market and federal/state support
2 programs are already or will shortly be addressing service improvements and broadband
3 expansion. As a result, other areas of complementary investment would be hindered,
4 thereby limiting the scope and impact of available private capital.

5 **Q46. WHAT IS YOUR UNDERSTANDING OF THE CONDITIONS THAT**
6 **INTERVENORS ARE PROPOSING?**

7 A46. Intervenors propose a wide range of conditions, including proposals for Verizon to meet
8 specified fiber deployment and broadband speed metrics, proposals that Verizon offer
9 discounted broadband service, a proposed “in-depth network audit,” and supplier
10 diversity requirements. CETF also proposes that Verizon be required to pay \$105 million
11 into CETF’s digital inclusion program as a condition of the Transaction and invest more
12 than \$500 million in broadband upgrades. In addition, Intervenors propose onerous
13 compliance and monitoring provisions, including the initiation of a performance bond
14 “based on the cost the state would have to incur to publicly fund its own fiber network in
15 the absence of fiber deployment by Verizon.”³⁰ Intervenors also propose certain
16 idiosyncratic requirements, such as a requirement to partner with the Chumash tribe on
17 creating a tribal network in the Santa Ynez Valley.

18 **Q47. HAVE INTERVENORS CONSIDERED THE COSTS OF THEIR PROPOSED**
19 **CONDITIONS**

20 A47. No. In response to Joint Applicants’ Data Requests, both Cal Advocates and TURN
21 admitted that they did not prepare any cost estimates for their proposed conditions.³¹ As
22 I explain below, based on Frontier’s significant experience with fiber deployment and our

³⁰ *Duffy Testimony* at 3:6-8.

³¹ *See TURN’s Response to Joint Applicants’ DR 1*, Response to Question 3(e-g); *Cal Advocates’ Response to Joint Applicants’ DR 1*, Response to Question 3(e). These responses are attached to my testimony as Exhibits AE-R-2 and AE-R-3.

1 analysis, it would be cost-prohibitive to implement Cal Advocates’ and TURN’s
2 proposed fiber deployment conditions. CETF notes that the minimum combined costs of
3 its proposed infrastructure commitment and digital inclusion commitment would be
4 \$351,285,463, but the costs are unknown for its proposed tribal project with Chumash
5 and Lifeline and low-income offers.³²

6 **Q48. WHICH OF THESE PROPOSALS WILL YOU BE ADDRESSING?**

7 A48. My testimony will focus on Cal Advocates’ proposal for Verizon to blanket Frontier’s
8 footprint with broadband facilities, including 90% coverage with fiber. I will also
9 address some of the other proposals, but my testimony is complementary to Verizon’s
10 presentation, and I understand Verizon will address each of the proposed conditions in its
11 testimony.

12 **Q49. HOW DO YOU RESPOND TO CAL ADVOCATES’ RECOMMENDATION**
13 **THAT THE COMMISSION SHOULD REQUIRE DEPLOYMENT OF**
14 **BROADBAND OF AT LEAST 100 MEGABITS PER SECOND (“MBPS”)**
15 **DOWNLOAD AND 20 MBPS UPLOAD TO 100% OF FRONTIER’S SERVICE**
16 **TERRITORY, WITH FIBER DEPLOYED TO 90% OF FRONTIER’S SERVICE**
17 **TERRITORY WITHIN 5 YEARS.**

18 A49. There is simply no rationale—no financial, operational, or policy basis—for Cal
19 Advocates’ recommendation. On behalf of Cal Advocates, Mr. Duffy makes this
20 recommendation without any analysis of: (a) the potential costs associated with this
21 obligation; (b) the feasibility of completing the obligation; or (c) whether other
22 competitive providers are currently or will be providing, including through government
23 subsidized programs such as BEAD, 100/20 Megabits per second (“Mbps”) in the
24 Frontier footprint and, as a result, whether there would be any ability to recover the

³² *CETF Response to Joint Applicants’ DR 1*, Response to Question 3(f). This response is attached to my testimony as Exhibit AE-R-4.

1 substantial investment associated with deploying fiber and providing broadband services
2 when another service provider or providers have already captured market share.

3 Any suggestion that Verizon should independently fund fiber
4 deployment/enhanced service capabilities to 90% or greater of the locations within
5 Frontier’s service territory is misguided and fundamentally at odds with the economics of
6 building in high-cost, low density, remote and rural areas—which are the predominant
7 characteristics of a significant portion of Frontier’s California footprint. Cal Advocates’
8 proposal also ignores the unique challenges of deploying in rural areas and the limitations
9 on access to tribal areas. A blanket requirement to deliver ubiquitous high-speed
10 broadband without proper support is also inconsistent with the fundamental underpinning
11 of grant programs like RDOF, CASF, FFA, and BEAD programs. These programs are
12 premised on the reality that fiber deployment to rural and high-cost areas is uneconomical
13 and will likely not occur without public financial support.

14 **Q50. DID CAL ADVOCATES PERFORM A FINANCIAL ANALYSIS OF THE**
15 **POTENTIAL COST TO COMPLETE FIBER DEPLOYMENT TO 90% OF**
16 **FRONTIER’S SERVICE TERRITORY?**

17 A50. No. Cal Advocates argues that fiber should be deployed to 90% of the locations in
18 Frontier’s service territory without any assessment of the costs of completing this
19 deployment. Effectively, Cal Advocates assumes that Frontier and Verizon have
20 unlimited capital resources for fiber investment and that its recommendation would be the
21 most prudent use of finite capital without completing any analysis of the potential costs
22 of fiber deployment relevant to other important financial considerations, including the
23 costs of maintaining both the existing and any new network deployments. In its response
24 to a data request by the Joint Applicants regarding the cost to comply with its
25 recommended condition, Cal Advocates answered: “Cal Advocates has not prepared any

1 estimates to determine the cost associated with each condition, rather Cal Advocates
2 identifies the conditions necessary to ensure the transaction provides economic benefits
3 to ratepayers.”³³

4 **Q51. PLEASE ADDRESS THE COSTS THAT FRONTIER WOULD NEED TO INCUR**
5 **TO FULFILL THIS RECOMMENDED CONDITION.**

6 A51. Frontier has extensive experience deploying fiber in California. From 2021 to 2024,
7 Frontier has deployed fiber to more than 1 million new locations. Frontier has completed
8 all the required detailed engineering, planning and design, permitting, supplier
9 contracting for equipment and fiber, contracting for construction, project management,
10 inside plant and outside plant construction, testing and other necessary activities to make
11 fiber services available at these locations. Frontier’s experience in completing fiber
12 expansion work is nearly unmatched—only one company nationwide has deployed more
13 fiber than Frontier during this period. As a result of its completion of thousands of fiber
14 expansion projects in California and tens of thousands of projects nationwide, Frontier
15 has extensive data and analyses related to all aspects of fiber expansion projects and is
16 adept at effectively and accurately estimating the costs associated with future fiber
17 deployment.

18 Frontier has undertaken an analysis of the cost to deploy fiber past approximately
19 960,000 single family unit (“SFU”), multi-dwelling unit (“MDU”), and other locations in
20 its ILEC footprint that are not served by Frontier’s fiber. Frontier estimates that the cost
21 to complete this fiber deployment would be in excess of \$6.97 billion with an average
22 cost per location of over \$7,000 per location. In its testimony, Cal Advocates refers to

³³ See *Cal Advocates’ Response to Joint Applicants’ DR 1*, Response to Question 3(e), attached as Exhibit AE-R-3.

1 the existence of approximately 1.5 million locations in Frontier’s service territory that are
2 not served with fiber. While Frontier believes this count overstates underserved fiber
3 locations in its footprint due to the differences in counting locations and units under the
4 BDC reporting process, Frontier has not undertaken a detailed review to determine the
5 costs to reach the additional locations beyond the 960,000 locations Frontier has
6 analyzed. Frontier, however, estimates that it would substantially increase the \$6.97
7 billion estimate associated with the 960,000 locations. This estimate is conservative as
8 deployment costs continue to increase year over year and the cost to serve MDUs is
9 highly variable and dependent on a host of factors unique to each building, including the
10 age and condition of the property, existing wiring, and a willing property owner. Further,
11 the 960,000 locations noted above do not represent the entire universe of all locations in
12 Frontier’s footprint that are not served by fiber. Frontier has not undertaken a detailed
13 review to determine the costs to reach the additional locations; however, Frontier
14 estimates that it would substantially increase the \$6.97 billion estimate. Accordingly,
15 based on Frontier’s experience and expertise in completing fiber deployment projects in
16 its California service territory, Frontier estimates it would cost well in excess of \$7
17 billion to deploy fiber to 960,000 non-fiber locations in its ILEC footprint.

18 **Q52. ARE THERE 960,000 LOCATIONS IN FRONTIER’S SERVICE TERRITORY**
19 **THAT ARE NOT SERVED BY FIBER AND ARE DESIGNATED AS UNSERVED**
20 **OR UNDERSERVED?**

21 A52. No. According to the Commission’s official challenge list developed in the BEAD
22 process—which was developed with reference to the BDC V.4, took into account
23 locations where there was an enforceable commitment through a prior award to deploy
24 upgraded infrastructure, and was further validated through challenges by providers and
25 others—there are approximately 110,000 locations that are “unserved” or

1 “underserved.”³⁴ Of these locations, 61,894 are “unserved” (less than 25/3 Mbps) and
2 48,737 are “underserved” (less than 100/20 Mbps).³⁵ These figures are far lower than
3 the number of locations that Cal Advocates would require Frontier to upgrade under its
4 proposed condition. And, Cal Advocates’ proposal is particularly excessive given that
5 these are exactly the locations to which service will be enhanced under the BEAD
6 program.

7 **Q53. HOW DOES THE \$7 BILLION ESTIMATE TO DEPLOY FIBER TO AN**
8 **ADDITIONAL 960,000 LOCATIONS IN FRONTIER’S FOOTPRINT COMPARE**
9 **TO FRONTIER’S FIBER-RELATED CAPITAL EXPENDITURES AND**
10 **REVENUES IN CALIFORNIA?**

11 A53. Neither Frontier’s fiber-related capital expenditures nor its revenues in California support
12 a condition of the magnitude proposed by Cal Advocates. The estimated \$7 billion
13 required to deploy service to an additional 960,000 locations is 5 times higher than
14 Frontier’s fiber-related capital expenditures in California over the last four years. And,
15 over the last four years, Frontier had negative net income. As a result, it would be
16 impossible for Frontier to fulfill such a condition, which is unreasonable on its face, and
17 in comparison to Frontier’s California operations.

18 Between 2021 and 2024, Frontier’s total capital expenditures for all its California
19 operations, including buildings, equipment, poles, vehicles/trucks, tools, computers, etc.
20 and its fiber and copper network was \$2.6 billion. During this four year period, Frontier
21 expended approximately \$1.4 billion to deploy fiber to approximately the same number
22 of locations in California (960,000) or an average investment of \$350 million per year.

³⁴ See <https://register.challenge.cpuc.ca.gov/data-downloads>.

³⁵ See *Frontier Response to TURN DR 7*, Response to Question 7.1 and 7.2 and attachments “Frontier Response to TURN DR 7.1(a) (Unserved_WC) (FTR011037) [CONFIDENTIAL]” “Frontier Response to TURN DR 7.2(a) (Underserved_WC) (FTR011101) [CONFIDENTIAL].” The referenced data request response and attachments are attached to my testimony as Confidential Exhibit AE-R-5.

1 Even if Frontier could continue fiber deployment at the same rate, which for reasons I
2 explain below it cannot, using Frontier's average investment of \$350 million per year, an
3 expenditure of \$7 billion or higher represents 20 years of fiber deployment investment.
4 Moreover, the above analysis is based on today's cost of fiber deployment costs and does
5 not project the impacts of inflation and other increases over the next 20 years. Thus, it
6 understates the true cost of such a fiber deployment condition.

7 A review of Frontier's total California revenues also provides stark context for the
8 impracticability of the \$7 billion condition proposed by the Cal Advocates. For the last
9 four years, the three California ILECs' combined operations generated less than
10 <<BEGIN CONFIDENTIAL [REDACTED] END CONFIDENTIAL>> in total revenues
11 per year for all the services they provide (regulated and unregulated). This total revenue
12 figure is before *any* operating expenses, such as for employee wages and benefits for the
13 more than 2,500 California employees, network expenses for circuits and facilities leases,
14 fuel for trucks, electricity in central offices and buildings, and other expenses, which have
15 been approximately <<BEGIN CONFIDENTIAL [REDACTED] END
16 CONFIDENTIAL>> per year during this time period. Taking these expenses into
17 account, on average, Frontier has generated on average approximately <<BEGIN
18 CONFIDENTIAL [REDACTED] END CONFIDENTIAL>> a year in earnings before
19 interest and taxes in California. After interest and taxes, Frontier has had negative net
20 income in California over this four year period. These financial benchmarks—Frontier's
21 total revenues generated from all services and the fact that the Company is losing money
22 from its California operations—further demonstrate that Cal Advocates' proposed

1 condition for the companies to expend more than \$7 billion on fiber deployment is not a
2 serious proposal.

3 Further, as I noted above, Frontier has incurred substantial debt in deploying fiber
4 across its 25-state territory and does not have the ability to take on additional debt to
5 complete fiber deployments beyond 2026. Even assuming Frontier could secure \$7
6 billion in additional debt financing to complete the fiber deployment (which it cannot),
7 the expected interest on the debt at 7% would approach \$500 million per year, or more
8 than 2.5 to 3 times the annual earnings before earning and taxes that Frontier's California
9 operations have generated over the last four years. In other words, the Frontier California
10 ILECs would not even be able to begin to cover the interest expense alone on the
11 incremental debt incurred to complete the fiber deployment proposed by Cal Advocates.

12 **Q54. DID CAL ADVOCATES UNDERTAKE ANY KIND OF ENGINEERING OR**
13 **FEASIBILITY ANALYSIS ASSOCIATED WITH COMPLETING FIBER**
14 **DEPLOYMENT TO 90% OF FRONTIER'S SERVICE TERRITORY?**

15 A54. No. None of Cal Advocates' witnesses provided any testimony suggesting that they had
16 any experience or understanding of the complexities of deploying fiber, especially in
17 remote areas of California. Instead, Cal Advocates simply recommends that in order to
18 support approval of the Transaction, Verizon should just "make it happen" in Frontier's
19 California service territory to align with Cal Advocates' public policy goals.

20 **Q55. IS FIBER DEPLOYMENT AS SIMPLE AND STRAIGHTFORWARD AS CAL**
21 **ADVOCATES SUGGESTS?**

22
23 A55. No, deploying fiber involves many considerations and complexities. In completing fiber
24 deployment Frontier considers the required work and costs associated with detailed
25 engineering, planning and design, inside plant and outside plant construction, materials
26 and equipment, geographical/field conditions including topography and substrates, the

1 location, and density of locations in the area to be served. Lower location density and
2 more challenging geography significantly increase the cost and complexity of deploying
3 fiber. In rural or mountainous areas, fiber must often traverse greater distances over
4 uneven terrain or private land. This increases construction time, labor expense, and the
5 cost of materials. Topographic challenges like rivers, rocky soil, and wetlands further
6 inflate installation costs and generally require specialized equipment. In addition,
7 obtaining permits and access to rights of way, including costs imposed by local
8 government units for restoration of streets/roads when fiber or fiber drop facilities are
9 deployed, are highly variable and projects covering remote areas typically incur more of
10 these expenses. Buried fiber facilities are often much more expensive; however, aerial
11 fiber deployment also involves potential incremental costs associated with accessing
12 poles and potential make ready necessary to accommodate fiber facilities. Additional
13 costs can also be incurred where bridges and railway crossings are involved, where
14 protected flora or fauna are present, or where archaeological or cultural review is
15 necessary. None of this is feasible within the timeframes Cal Advocates proposes.
16 Ultimately, after detailed engineering and construction reviews are completed, the fiber
17 deployment may not be technically possible at thousands or tens of thousands of
18 locations.

19 **Q56. WHAT IS THE AVERAGE COST PER LOCATION OF UPGRADING COPPER**
20 **TO FIBER FACILITIES IN CALIFORNIA?**

21 A56. Frontier has determined that the average cost of completing fiber deployment to the
22 remaining California locations served by copper facilities would exceed an average of
23 \$2,000 per location for even the first and easier tranche of locations not currently served
24 by Frontier fiber. Moreover, the average cost for each “not yet fiberized” location

1 increases significantly, to over \$7,000 per location, as more of the lower cost locations
 2 are constructed. In more rural locations, the cost often exceeds \$10,000 per location.
 3 Indeed, the Commission has issued numerous resolutions acknowledging the high cost of
 4 deployment per household presented by Frontier’s rural areas, as shown below:

Resolution Number/Project Name	Year	Cost Per Household
Resolution T-17715 (Smith River)	2021	\$25,972
Resolution T-17747 (Crescent City)	2020	\$27,635
Resolution T-17668 (Taft Cluster)	2019	\$49,177

5 In comparison, Frontier can deploy fiber in other states for an average cost of less than
 6 \$1,400 per location.

7 **Q57. IS IT EVEN TECHNICALLY FEASIBLE TO COMPLETE APPROXIMATELY**
 8 **1+ MILLION NEW FIBER LOCATION DEPLOYMENTS IN 5 YEARS AS**
 9 **PROPOSED BY CAL ADVOCATES?**

10 A57. No. This recommendation by Cal Advocates is not grounded in fact; Cal Advocates
 11 clearly has not considered or factored in the complexities of completing fiber deployment
 12 in the remaining areas in Frontier’s service territory. Based on its fiber deployment to
 13 date, Frontier’s network already passes many of the locations with the most favorable
 14 deployment characteristics, *i.e.*, densely concentrated locations across large, contiguous
 15 project areas, where a high number of locations can be completed as part of a centralized
 16 project. Even with these more favorable, lower-cost conditions, Frontier has only
 17 completed an average of 250,000 fiber locations per year in California. In contrast, the
 18 remaining fiber locations to be built in Frontier’s territories are less densely populated,
 19 widely scattered across non-contiguous areas with very low or no concentration of

1 customer locations. To fiberize the remaining 960,000 locations, Frontier would need to
2 secure more contractor resources than are available across the state and complete more
3 than 1,200 projects in five years. In addition, because the locations are widely dispersed,
4 securing permits and access to rights of way would be a highly complex and time-
5 consuming undertaking that could reasonably take years to complete. And Frontier may
6 ultimately be unable to secure necessary permits or rights of way access, which would
7 prevent deployment or significantly extend deployment timeframes. These challenges
8 are likely to be especially difficult in tribal areas.

9 **Q58. YOU MENTIONED THE DIFFICULTIES IN ACCESSING TRIBAL AREAS.**
10 **WHY ARE THERE SIGNIFICANT ACCESS ISSUES IN THOSE AREAS?**

11 A58. Many of these areas are extremely rural, but the more significant problem is that the
12 tribes often prefer to serve their own communities and do not want Frontier to duplicate
13 those efforts. Over the last four years, California tribal entities have secured numerous
14 broadband infrastructure grants under federal programs, such as those funded under the
15 American Rescue Plan Act (“ARPA”) and Infrastructure Investment and Jobs Act
16 (“IIJA”) programs and under state programs like the FFA and CASF. These grants aim
17 to assist awardees to expand broadband availability, including on Tribal lands. For
18 example, under the National Telecommunications and Information Administration's
19 Tribal Broadband Connectivity program, several California tribes have received funding,
20 including the following:

- 21 • The Hoopa Valley Tribe was awarded approximately \$65.1 million to install
22 fiber and wireless infrastructure directly connecting 1,045 unserved Native
23 American households, 64 tribal businesses, and 19 community anchor
24 institutions;
- 25 • The Yurok Tribe received about \$61.7 million to deploy middle mile fiber and
26 last mile wireless connections serving 921 unserved Native American
27 households on the Yurok reservation and ancestral lands;

- 1 • The Round Valley Indian Tribes were granted approximately \$13.5 million to
2 install fiber and wireless infrastructure connecting 726 unserved tribal
3 households, 3 unserved tribal businesses, and seven unserved community
4 anchor institutions; and
- 5 • The Southern California Tribal Chairman’s Association received \$4.5 million
6 for a dual project involving broadband infrastructure deployment and
7 broadband use and adoption directly connecting 212 unserved tribal
8 households and five unserved community anchor institutions across 9 tribal
9 service areas.

10 Under the FFA, the Commission also allocated substantial funding including the
11 following within Frontier’s footprint:

- 12 • The Colorado River Indian tribes received a grant for approximately \$14.8
13 million as part of the \$142 million allocated for 11 last mile broadband
14 infrastructure projects across several counties including Riverside and San
15 Bernardino;
- 16 • The Karuk Tribe was awarded \$27 million to deliver fiber to the home of
17 approximately 227 locations in Humboldt and Siskiyou counties;
- 18 • The Santa Ynez Band of Chumash Indians as awarded \$4.7 million to enhance
19 broadband connectivity in Santa Barbara County;
- 20 • The Yurok was awarded \$19 million to deliver fiber to the home to 2491
21 locations in Humboldt and Del Norte counties; and
- 22 • Round Valley Indian Tribe was awarded \$35 million to deliver fiber to the
23 home to 500 locations in northern Mendicino county.

24 The above summary reflects significant investments in broadband infrastructure on Tribal
25 lands and reflects a concerted effort to bridge the digital divide in Tribal communities.

26 As a result of these grants, many of the Tribes that Frontier has approached about
27 deploying fiber or other network facilities on Tribal lands have indicated emphatically
28 that they do not want it because the Tribe has received grant funding and will be
29 completing fiber deployment independently. In addition, other Tribes that have applied
30 for or plan to apply for federal or state grants do not want Frontier to deploy fiber on the
31 Tribal lands because the availability of Frontier broadband services would potentially

1 jeopardize the Tribe’s ability to secure these grants to establish their own
2 communications networks.

3 **Q59. IS TURN’S BROADBAND DEPLOYMENT PROPOSAL SIMILAR TO CAL**
4 **ADVOCATES’ PROPOSAL?**

5 A59. It is not clear. TURN’s broadband deployment proposal is expressed at a very high level
6 in Mr. Brevitz’s testimony. He notes that he does “not and would not recommend that
7 Verizon’s fiber deployment commitment be stated in exact expenditures, timetables and
8 deployment locations” and that his proposal “is better understood as seeking a
9 commitment by Verizon to upgrade a certain number of locations to modern broadband
10 facilities (whether fiber or wireless) within a certain time frame.”³⁶ Mr. Brevitz’s
11 broadband deployment proposal appears more reasonable and flexible than Cal
12 Advocates’ fiber deployment proposal as he recognizes that “the particular technology,
13 locations and project time frames might vary.”³⁷ Moreover, he does “not recommend
14 that Verizon should be required to duplicate facilities where BEAD is supporting
15 broadband deployment, or to expand network facilities in areas where RDOF subsidy
16 funding has resulted in commitments for construction of broadband facilities.”³⁸ Mr.
17 Brevitz also opines that Verizon should not be required to deploy fiber optic facilities “if
18 Verizon has deployed FWA to particular locations and areas within Frontier’s service
19 areas in California.”³⁹

³⁶ *Brevitz Testimony, Errata* (May 13, 2025) at 47:6-10.

³⁷ *Id.* at 47:10-11.

³⁸ *Id.* at 48:4-8 (“Verizon’s broadband deployment commitments in California should focus on 8 areas where there is no BEAD or RDOF funding awarded to other companies.”).

³⁹ *Id.* at 48:9-11.

1 **Q60. DO YOUR RESPONSES ABOVE ADDRESSING CAL ADVOCATES' FIBER**
2 **DEPLOYMENT PROPOSAL APPLY TO TURN'S BROADBAND**
3 **DEPLOYMENT PROPOSAL?**

4 A60. Yes. The concerns I described above regarding the exorbitant costs and infeasibility of
5 Cal Advocates' fiber deployment proposal also apply to TURN's broadband deployment
6 proposal, particularly to the extent it is interpreted to require fiber deployment to
7 substantially all of Frontier's service territory. Like Cal Advocates, TURN does not
8 provide any financial, operational, or policy basis for its proposal and fails to consider the
9 potential costs associated with its proposal.

10 **Q61. WHY DO YOU BELIEVE THE EXISTENCE OF GRANT SUPPORT FOR**
11 **RURAL BROADBAND DEPLOYMENT IS RELEVANT TO CAL ADVOCATES'**
12 **FIBER DEPLOYMENT PROPOSAL?**

13 A61. Cal Advocates' request ignores the well-recognized and insurmountable challenges of
14 building infrastructure in highly remote, high-cost areas without public contribution. In
15 addition, requiring Frontier or Verizon to overbuild publicly subsidized locations—and
16 the synergy locations grant awardees reach by leveraging grant funds—weakens the
17 economic model on which rural expansion relies and would likely create a market
18 dynamic that threatens the ability of both Verizon and the grant funded provider to
19 sustain service over time. As noted above, Mr. Brevitz appears to recognize these
20 concerns in explaining that “Verizon’s broadband deployment commitments in California
21 should focus on areas where there is no BEAD or RDOF funding awarded to other
22 companies,” and similarly, Verizon should not be required to deploy fiber optic locations
23 “if Verizon has deployed FWA to particular locations and areas within Frontier’s service
24 areas in California.”⁴⁰

⁴⁰ *Brevitz Testimony, Errata*, at 48.

1 Unserved and underserved locations throughout Frontier’s service territory are
2 targeted for service upgrades through various grant programs, including RDOF, CASF,
3 FFA, and BEAD. In fact, addressing the availability of broadband services in rural
4 service markets is the central purpose of them. Suggesting that Verizon should shoulder
5 the obligation of 90%+ buildout within Frontier’s footprint ignores the fact that state and
6 federal governments have already made the determination that privately funded buildout
7 in rural areas is uneconomic. In addition, a buildout condition of this nature wholly
8 disregards the availability of billions in public funding allocated for this express purpose,
9 in addition to ignoring the fact that the locations not eligible for this funding already have
10 broadband of at least 100/20 Mbps available.

11 **Q62. WHAT ROLE HAS FEDERAL FUNDING ACCOUNT SUPPORT PLAYED IN**
12 **BROADBAND DEPLOYMENT IN CALIFORNIA?**

13 A62. In March 2021, Congress passed the ARPA, which made \$350 billion in emergency
14 funding available to state and local governments. Approximately 10% of this funding
15 was dedicated to broadband expansion (*e.g.*, through the Capital Projects Fund and other
16 avenues). Building on its successful history through the CASF program (which was
17 established in 2007 and was allocated \$136 million in fiscal year 2024-25) of awarding
18 subsidies to support broadband expansion in areas where private investment alone is
19 insufficient to upgrade infrastructure, the state created the FFA. The FFA dedicates \$2
20 billion in funding (both state and Capital Projects Fund funding) to reach unserved and
21 underserved locations in California with improved broadband facilities. To date,
22 California has awarded more than \$1.1 billion of FFA funds to connect approximately
23 151,462 unserved units with enhanced broadband. Notably, 100% of the FFA
24 projects/funding are fiber projects.

1 **Q63. HOW DOES BEAD SUPPORT FIT INTO FEDERAL AND STATE BROADBAND**
2 **POLICY?**

3 A63. In November 2021, Congress—once again and on a bipartisan basis—prioritized
4 infrastructure investment and passed the IIJA, which authorized \$1.2 trillion to
5 modernize America’s infrastructure, including its communications infrastructure. The
6 IIJA expressly established the BEAD Program and dedicated \$42.25 billion in funding to
7 expand the availability of high-speed broadband service to unserved and underserved
8 locations across the country, including in Frontier’s rural California service territory.

9 These public investments, including the BEAD program, represent the single
10 largest broadband investment in United States history. BEAD was created in recognition
11 of the critical need for improved broadband connectivity to unserved and underserved
12 locations in rural areas where private investment to expand high-speed connectivity was
13 infeasible due to the high expense of broadband infrastructure deployment and lack of
14 location density. The need for public subsidy to overcome the barriers of rural
15 deployment and connect consumers in rural areas is well demonstrated and has been a
16 key policy in California for well over a decade. Indeed, the long history of public
17 subsidy programs for telecommunications services, including but not limited to state and
18 federal Universal Service Fund programs, the Connect America Fund, RDOF, CASF,
19 FFA, and American Rescue Plan Act funding, are all based on the foundational
20 understanding that public subsidies are necessary to ensure the availability of
21 communications services in rural areas given the high cost of communications
22 infrastructure and the unique challenges of serving rural locations. The NTCA-The Rural
23 Broadband Association has consistently highlighted the financial challenges of deploying
24 high-speed services in rural areas through its annual broadband surveys. In its most

1 recent 2023 survey,⁴¹ 93.8% of respondents cited deployment costs as the primary
2 impediment to high-speed broadband expansion in their rural service territories.

3 Like its predecessor subsidy programs, BEAD exists because significant public
4 contribution is needed to build out and improve high-speed services in rural communities.
5 The grant eligible locations within Frontier’s California footprint are no exception.
6 Public funding is necessary to ensure that improved, high-speed broadband is available to
7 them. And through BEAD (and several other subsidy programs), improved broadband
8 already is or soon will be made available either through publicly supported deployment
9 by Frontier or another provider. However, given the recognized, intractable financial
10 impediments to funding broadband expansion to highly rural locations solely through
11 private investment, overbuilding rural locations is financially infeasible.

12 **Q64. HOW DOES THE AVAILABILITY OF THIS GRANT FUNDING RELATE TO**
13 **CAL ADVOCATES’ PROPOSAL FOR 90% FIBER DEPLOYMENT IN**
14 **FRONTIER’S CALIFORNIA SERVICE TERRITORY?**

15 A64. Grant programs are addressing deployment in underserved and unserved areas—and thus
16 there should be no expectation or condition that Frontier or Verizon build duplicative
17 facilities in areas where government subsidy funding is being made available to other
18 competitive providers. There is no basis to suggest that Frontier or Verizon should be
19 required to deploy additional broadband facilities to greater than 90% of locations within
20 Frontier’s service territory and certainly not in areas of the state where BEAD and other
21 subsidy broadband programs are or will be funding infrastructure improvements. The
22 reality is that this approach would financially harm both Verizon and Frontier. The

⁴¹ See

<https://www.ntca.org/sites/default/files/documents/202312/2023%20Broadband%20Survey%20Report%20FINAL.pdf>

1 financial model on which providers seek and secure grant funding is predicated on an
2 assumed market share and the fact that there is no (or limited) fiber or other competition
3 in the project area. As a result, grant applicants rely on this expected market dominance
4 in calculating their projected returns and ability to sustain service to consumers over time.
5 Introducing another fiber competitor in the market where the grants have been/will be
6 awarded upsets the expected market dynamic and causes each provider to perform worse
7 than necessary to sustain services. Although these capital subsidy programs are critical to
8 enabling broadband expansion, they introduce new market dynamics that can make it
9 even less viable for non-subsidized providers to enter or expand in those same areas and,
10 ultimately, to sustain services. And, introducing a new provider into a subsidized market
11 erodes the value of the public investment and could cause subsidized providers to fail.
12 Moreover, as I will explain, the most current deployment data indicates that all but a
13 small percentage of broadband serviceable locations across the state already have access
14 to 100/20 Mbps service.

15 **Q65. PLEASE DESCRIBE THE AVAILABILITY OF BEAD AND OTHER FUNDING**
16 **IN CALIFORNIA FOR MAKING IMPROVED BROADBAND SERVICE**
17 **AVAILABLE TO UNSERVED AND UNDERSERVED LOCATIONS IN**
18 **CALIFORNIA.**

19 A65. In 2022, the National Telecommunications and Information Administration (NTIA)
20 published its Notice of Funding Opportunity for the BEAD program, outlining the
21 process for the states to access and distribute their BEAD funding allocations, which
22 must be done through a competitive bid process. In June 2023, NTIA announced its
23 funding allocations; California was allocated \$1.86 billion to connect 372,999 unserved
24 and underserved locations across the state—roughly \$5,000 per eligible location. The
25 372,999 grant eligible locations were identified in reference to the FCC’s BDC V.4, and

1 following a location challenge process through which locations with an enforceable
2 commitment were removed and broadband providers, and others, could provide updated
3 information to ensure that the identified locations were indeed unserved and underserved.
4 The final list of eligible locations was approved by NTIA. The approved list includes a
5 total of 118,359 grant eligible locations (including Community Anchor Institution) within
6 Frontier’s California ILEC service territory, representing a pro-rata share of
7 approximately \$590 million in BEAD funding for broadband expansion within Frontier’s
8 California ILEC footprint.

9 A key condition of the BEAD program funding is that the state must have a plan
10 to deploy service to all unserved and underserved locations within the state. In other words,
11 California must ensure that its award of funding provides for high-speed broadband
12 connectivity to all 372,999 unserved and underserved locations—including all 118,359 in
13 Frontier’s footprint—to receive *any* of its funding allocation. In addition, California’s
14 awards must be approved by NTIA.

15 In California, the Commission is administering the BEAD program. The
16 Commission has actively engaged in the BEAD process. It created the required 5-Year
17 Plan and the BEAD Initial Proposal – Volumes 1 and 2, which established a
18 programmatic preference for Fiber-to-the-Premises deployments. At this time, the
19 Commission’s competitive funding award process is underway. The Commission opened
20 its competitive bidding on April 2, 2025, and closed the application window on May 9,
21 2025. Frontier is participating in the Commission process and does not expect to know
22 the outcome of its applications for several months.

1 Based on its experience in California and other states, Frontier understands that
2 BEAD applicants intend to use awarded funding to connect the awarded grant eligible
3 locations with high-speed broadband and to leverage the public funding with
4 complementary private investment to expand the availability of improved broadband
5 services to locations surrounding their grant subsidized project areas, thus maximizing
6 the impact of this transformational investment in California broadband infrastructure. In
7 the event Frontier secures BEAD funding in California, Frontier understands that Verizon
8 has publicly shared that it is committed to fulfilling Frontier’s obligations under the
9 program.

10 If Frontier does not secure BEAD funding for the grant eligible locations in its
11 footprint, these locations will not be left behind. As noted above, to receive a single
12 dollar of BEAD funding, the Commission must present a plan to NTIA that provides for
13 high-speed broadband service to *every* grant eligible location. As a result, any location
14 not awarded to Frontier will be awarded to another provider to build out high-speed
15 broadband to that location. Thus, all 118,359 locations in Frontier’s California footprint
16 will receive improved, high-speed broadband service either from Frontier, if it is
17 successful, or from another provider that is the recipient of BEAD funding. To the extent
18 there are any outlier locations at the conclusion of BEAD, the CASF remains a source of
19 infrastructure funding for connecting those locations with broadband.

20 **Q66. HOW MANY LOCATIONS IN CALIFORNIA REMAIN UNSERVED OR**
21 **UNDERSERVED?**

22 A66. In recent years, the FCC has engaged in a robust Broadband Data Collection (“BDC”)
23 process and created a reliable data set with respect to serviceable locations, including
24 those still lacking 25/3 Mbps and 100/20 Mbps service. Per the BDC V.5, there are

1 10,235,465 serviceable locations (corresponding to 16,209,607 individual units) across
2 the State of California, including Multi-Dwelling Unit (“MDU”) locations. Referencing
3 BDC V.4 data and at the conclusion of its robust BEAD challenge process, the
4 Commission confirmed that only 372,999 locations across the state remained unserved or
5 underserved. In other words, recent data indicates that the remaining 9,862,466
6 serviceable locations across the state—including those within Frontier’s footprint—
7 already have access to service that is at minimum 100/20 Mbps (or there is an
8 enforceable commitment to make 100/20 Mbps available to them in the near term). It is
9 unreasonable to charge Verizon with the responsibility for meeting broadband
10 connectivity goals throughout its territory given that many of those households already
11 have or will have adequate service options from Frontier or its competitors—as the BDC
12 data attests.

13 **Q67. DO YOU BELIEVE THE FCC’S BDC FIGURES ARE ACCURATE?**

14 A67. Yes. The FCC has been collecting broadband deployment data for decades, but the
15 methods and accuracy of this process have evolved significantly over time, with dramatic
16 improvements achieved in the last five years. In March 2020, Congress passed the
17 Broadband Deployment Accuracy and Technology Availability (“DATA”) Act requiring
18 the FCC to improve the granularity and accuracy of broadband maps. The FCC created
19 the Broadband Serviceable Location Fabric: a data set of all locations in the U.S. where
20 broadband could be installed. All providers must now report broadband availability at
21 the individual location level. This enables location-by-location mapping with markedly
22 improved accuracy. As part of the BDC process, individuals, local governments, and
23 other stakeholders are able to challenge the FCC's maps if they believe
24 serviceability/location data is inaccurate. This adds a layer of accountability and

1 accuracy not present in earlier data collection systems. The FCC's maps are updated
2 semi-annually, and providers are incentivized to accurately report their data and are
3 subject to FCC fines if they do not. Although the FCC continues to refine the Fabric and
4 serviceability data based on challenges, provider updates, and improvements to the Fabric
5 data set, the data are vastly more granular and accurate now than prior to 2020, and the
6 data continue to improve with each subsequent update. At present, the industry has
7 reported Version 5 of its serviceability data and the FCC has issued Version 6 of the
8 Fabric. Moreover, as part of the BEAD process in California, the Commission conducted
9 an additional challenge process to further ensure the accurate identification of unserved
10 and underserved broadband locations, for which it would award its approximately \$769.8
11 million in BEAD funding in California.

12 Although the BDC data continue to be refined, and corrections are incorporated
13 based on updated provider data and challenges on an ongoing basis (individuals, local
14 governments, and other stakeholders can still challenge the FCC's maps if they believe
15 serviceability/location data is inaccurate), in Frontier's experience when data errors
16 occur, they are isolated errors in limited instances, rather than large scale errors, which
17 was the case prior to the DATA Act and the introduction of the new BDC process. And,
18 notably, the BDC does not consider a location as "served" if the only available provider
19 is a satellite provider, even though satellite service is ubiquitously available and can
20 deliver speeds of 100/20 Mbps.

1 **Q68. WOULD IT BE REASONABLE TO REQUIRE A LETTER OF CREDIT IN THE**
2 **AMOUNT “THAT THE STATE WOULD HAVE TO INCUR TO FUND ITS OWN**
3 **FIBER NETWORK IN THE ABSENCE OF FIBER DEPLOYMENT BY**
4 **VERIZON?”**

5 A68. No. Cal Advocates’ “letter of credit” or “performance bond” proposal is unreasonable
6 and unrealistic.⁴² The cost of a letter of credit necessary to cover a fiber deployment may
7 not even be a viable option and the financial obligation would be exorbitant. This
8 Transaction should not be framed as a vehicle to ensure that every household in
9 Frontier’s footprint has a fiber connection. As I noted above, Frontier estimates that the
10 approximate cost of deploying fiber to all remaining Frontier locations would exceed \$7
11 billion. Frontier’s Treasury team has indicated that given its existing debt and other debt
12 covenant constraints, it likely would be impossible for Frontier to secure a letter of credit.
13 Frontier’s Treasury team also estimates that the letter of credit would cost more than
14 \$200 million a year to maintain. This would be extremely expensive, and a waste of
15 resources that could be better used to serve customers. I understand that Verizon will
16 address this issue in further detail.

17 **Q69. WHAT IS YOUR POSITION ON CETF’S PROPOSAL FOR VERIZON TO**
18 **“ENTER INTO A PARTNERSHIP WITH THE SANTA YNEZ BAND OF**
19 **CHUMASH INDIANS” AND THE RELATED SUGGESTION THAT FRONTIER**
20 **“BE REQUIRED TO CONSULT WITH AND ENGAGE WITH ANY**
21 **INTERESTED TRIBAL NATION ON AND ADJACENT TO ITS SERVICE**
22 **TERRITORY TO ENTERTAIN IN GOOD FAITH REQUESTS TO CONNECT**
23 **ANY TRIBAL NETWORKS TO ITS NETWORK AND TO PROVIDE**
24 **BROADBAND SERVICE TO TRIBAL LANDS IF REQUESTED?”**

25 A69. CETF proposes this pair of recommendations on page 24 of Ms. McPeak’s testimony,⁴³
26 but the suggestions are vague and underdeveloped and do not relate to any specific
27 impacts of the Transaction. Frontier has had various interactions with the Santa Ynez

⁴² See *Duffy Testimony* at 3:3-8.

⁴³ *McPeak Testimony* at 24:1-8.

1 Chumash tribal group mentioned in CETF’s testimony regarding potential broadband
2 deployment projects. With regard to the proposal for Frontier to “entertain in good faith
3 requests to connect any Tribal networks” and to “provide broadband service to Tribal
4 lands if requested,” these subjects are inherently fact-specific and dependent on the
5 interests of the Tribe, the facts and location, along with the costs of each scenario.

6 Frontier remains open to opportunities for network expansion in tribal areas, but, as noted
7 above, many Tribes are preferring to pursue their own networks, which limits Frontier’s
8 access.

9 **VI. RESPONSES TO QUESTIONS IN THE SCOPING MEMO**

10 **Q70. HOW DOES YOUR REBUTTAL TESTIMONY ADDRESS THE QUESTIONS**
11 **POSED IN THE JANUARY 13, 2025 SCOPING RULING?**

12 A70. On pages 3 and 4, the January 13, 2025 Scoping Ruling contains six overarching issues
13 that define the scope of this proceeding. I understand that these issues are largely drawn
14 from the statutory standards under Public Utilities Code Section 854, as well as the
15 Commission’s Environmental and Social Justice Action Plan and other matters of interest
16 to the Commission pertaining to Carrier of Last Resort obligations, LifeLine program
17 participation, service to tribes, and compliance with the “Right of First Offer” from
18 Frontier’s restructuring decision, D.21-04-008. Following the listed issues, the Scoping
19 Ruling poses 25 separate questions to Joint Applicants, paralleling the scoped issues.
20 Below, I revisit each of these questions in light of the Intervenor testimony to provide my
21 views on each subject, assure that each issue is addressed, and affirm that the applicable
22 standards are met for approval of the Transaction—without the onerous conditions that
23 Intervenors seek to impose.

1 **Q71. DOES THE PROPOSED TRANSACTION PROVIDE SHORT-TERM AND**
2 **LONG-TERM ECONOMIC BENEFITS TO CUSTOMERS? (SCOPING MEMO**
3 **NO. 1)**

4 A71. Yes. As I have explained, a proper consideration of the economic benefits of this
5 Transaction must compare Frontier’s financial and operational trajectory *with* the
6 Transaction to its likely future *without* the Transaction. Especially when viewed in that
7 light, the benefits of Verizon’s ownership of Frontier are compelling, and include
8 enhanced capital investment, more innovative and expansive service bundles, enhanced
9 resources and expertise, and greater efficiency due to Verizon’s economies of scale and
10 diversification. The benefits to customers will occur quickly and increase over time,
11 thereby producing both short-term and long-term impacts. As I noted above, both TURN
12 and CETF appear to view the Transaction in a practical and realistic light, which leads to
13 the clear conclusion that consumers will be better off if this Transaction is consummated.

14 **Q72. DOES THE PROPOSED TRANSACTION ADVERSELY AFFECT**
15 **COMPETITION? (SCOPING MEMO NO. 2)**

16 A72. No. No Intervenor offers a credible claim that this Transaction will harm the competitive
17 market for telecommunications or information services. Mr. Brevitz focuses on the
18 competitive advantages that Verizon will derive from the Transaction, noting that
19 “Verizon’s expanded ability to provide converged, bundled services to a larger broadband
20 footprint provides significant competitive benefit to Verizon.”⁴⁴ Although he frames this
21 as a benefit to Verizon, it is also a benefit to the competitive market, and to Frontier’s
22 customers, as the combined Frontier/Verizon will be better positioned to compete using
23 these bundled service offerings against cable providers and wireless carriers, thereby
24 enhancing consumer options and facilitating more robust competition. Ms. McPeak also

⁴⁴ *Brevitz Testimony* at 23:9-10.

1 acknowledges that “Verizon will greatly enhance its competitive position by owning both
2 a landline telephone company . . . and a CMRS provider.⁴⁵ Again, these market
3 advantages are not confined to Verizon’s business advantage; the benefits will also inure
4 to consumers in the form of enhanced competition. On behalf of Cal Advocates, Dr.
5 Selwyn suggests that this Transaction involves “vertical integration” that could impact
6 wholesale pricing for wireless backhaul, but these inferences are purely speculative. The
7 market for wholesale offerings that enable wireless backhaul is highly competitive and
8 there is no factual basis for the implication that Verizon could or would favor its own
9 wireless operations in wholesale pricing. I understand the Verizon panel testimony and
10 Dr. Aron will address these subjects in further detail.

11 **Q73. HOW WILL THE PROPOSED TRANSACTION IMPACT COMPETITION FOR**
12 **SERVICES CURRENTLY PROVIDED BY EITHER OF THE APPLICANTS IN**
13 **ANY GEOGRAPHIC AREA? (SCOPING MEMO NO. 3)**

14 A73. The record shows that competition will be enhanced by the integration of Frontier and
15 Verizon. Both companies’ service platforms will continue to service their existing
16 geographies under the combined operation, so there are not expected to be differential
17 geographic impacts from the transition.

18 **Q74. DOES THE PROPOSED TRANSACTION MAINTAIN OR IMPROVE THE**
19 **FINANCIAL CONDITION OF THE RESULTING PUBLIC UTILITY DOING**
20 **BUSINESS IN THE STATE? (SCOPING MEMO NO. 4)**

21 A74. Yes. As I have explained, Frontier’s level of investment and broadband deployment
22 cannot be sustained, and Verizon clearly has more wherewithal to build on Frontier’s
23 success, so the Transaction will tangibly benefit the financial condition of the “resulting
24 public utility.” Intervenors suggest that the benefits of the transaction are “aspirational”

⁴⁵ *McPeak Testimony* at 12:8-10.

1 or insufficiently quantified, but the financial disparities between Frontier and Verizon are
2 real and considerable, and Verizon is far better suited to maintain and improve the
3 financial stability of Frontier and its California operations.

4 **Q75. DOES THE PROPOSED TRANSACTION MAINTAIN OR IMPROVE THE**
5 **QUALITY OF SERVICE TO PUBLIC UTILITY CUSTOMERS IN THE STATE?**
6 **(SCOPING MEMO NO. 5)**

7 A75. Yes. Frontier understands that should the Transaction close, Verizon intends to utilize
8 the extensive tools and technology it uses to ensure service quality for its existing voice
9 customers to support Frontier’s customers, and to maintain or further improve Frontier’s
10 network reliability. As noted above, Frontier’s CTRR demonstrates that it has a healthy
11 network, and Verizon has the tools to support its continued performance at current and
12 potentially improved levels. These tools include, but are not limited to, systems and
13 procedures that aim to proactively identify potential network issues and rapidly resolve
14 issues when they occur. Verizon also already has a presence in the state, it serves the
15 major markets and communities in California with wireless services, and will be able to
16 use its resources, including its employees, and experience to enhance Frontier’s widely
17 dispersed operations in the state. Verizon has indicated that it will conduct an in-depth
18 audit of Frontier’s networks and that it intends to implement measures, as needed, to
19 align the acquired network with Verizon’s performance and operational standards, which
20 will benefit customers in the Frontier footprint.

21 **Q76. DOES THE PROPOSED TRANSACTION MAINTAIN OR IMPROVE THE**
22 **QUALITY OF MANAGEMENT OF THE RESULTING PUBLIC UTILITY**
23 **DOING BUSINESS IN THE STATE? (SCOPING MEMO NO. 6)**

24 A76. Yes. Verizon is one of the leading communications companies in the United States. It
25 has an established track record of providing voice and broadband service across the
26 nation. Verizon already has an extensive wireline network and experience in other states.

1 With a market capitalization of more than \$160 billion, revenues of \$134 billion in 2024
2 and an experienced management team, Verizon has the financial qualifications to
3 complete the Transaction, successfully manage, operate, maintain, and improve
4 Frontier’s California operations and improve Frontier’s competitive position. All of this
5 will affirmatively benefit Frontier’s current and future customers in California.

6 **Q77. DOES ANYTHING IN INTERVENORS’ PRESENTATION SUGGEST THAT**
7 **VERIZON LACKS THE MANAGERIAL EXPERTISE TO SUCCESSFULLY**
8 **OPERATE AND ADVANCE THE CAPABILITIES OF FRONTIER’S**
9 **CALIFORNIA SYSTEM?**

10 A77. No. Intervenors do not present any evidence that Verizon lacks the managerial
11 capabilities to maintain and improve Frontier’s California operations.

12 **Q78. IS THE PROPOSED TRANSACTION FAIR AND REASONABLE TO**
13 **AFFECTED PUBLIC UTILITY EMPLOYEES, INCLUDING BOTH UNION AND**
14 **NONUNION EMPLOYEES? (SCOPING MEMO NO. 7).**

15 A78. Yes. No Intervenor has suggested that the Transaction would harm Frontier’s current
16 employees. In fact, the Transaction will greatly improve Frontier’s field and operational
17 personnel due to the availability of robust Verizon training programs. In addition,
18 Frontier has experienced significant and ongoing challenges in finding and hiring
19 qualified employees to fill vacant technician positions in several of its rural service areas
20 in California. Frontier posts job positions, actively advertises, and seeks to fill technician
21 positions. Notwithstanding these efforts, in many locations and despite aggressive efforts
22 to hire qualified technician employees, Frontier has experienced challenges filling open
23 positions, which can remain vacant for weeks or months. Part of this can be attributed to
24 the fact that “Frontier” does not have the same “name” and “brand” recognition as
25 Verizon. Verizon has consistently been rated as a top employer and is ranked #8 by
26 LinkedIn as a Best Workplace for investing in its employees and helping them build their

1 careers.⁴⁶ The addition of the Frontier companies to Verizon’s corporate organization
2 will provide incremental operational staffing availability and greater resource flexibility,
3 which are significant affirmative benefits for Frontier’s California employees.

4 **Q79. IS THE PROPOSED TRANSACTION FAIR AND REASONABLE TO THE**
5 **MAJORITY OF ALL AFFECTED PUBLIC UTILITY SHAREHOLDERS?**
6 **(SCOPING MEMO NO. 8)**

7 A79. Yes. Frontier’s shareholders approved the Transaction in November 2024. The record
8 strongly supports the conclusion that this Transaction is fair and reasonable to public
9 utility shareholders, including holders of stock in Frontier and Verizon. Frontier equity
10 holders will benefit by a more stable, long-term operational platform with enhanced
11 investment capabilities, and Verizon shareholders will benefit by a more diversified
12 platform with extensive fiber assets to improve Verizon’s ability to compete in the
13 competitive market.

14 **Q80. IS THE PROPOSED TRANSACTION BENEFICIAL ON AN OVERALL BASIS**
15 **TO STATE AND LOCAL ECONOMIES AND THE COMMUNITIES IN THE**
16 **AREA SERVED BY THE RESULTING PUBLIC UTILITY? (SCOPING MEMO**
17 **NO. 9)**

18 A80. Yes. While I understand that the applicable standard of review concerns whether the
19 Transaction is “not adverse to the public interest,” I am confident that this Transaction
20 will bring significant affirmative benefits to state and local economies in California. As I
21 explained above, Frontier’s current resources will only support significant fiber buildout
22 in California through 2025. Communities in Frontier’s footprint will benefit materially
23 by Verizon’s significant financial strength and resources, technology, tools, and training.
24 Frontier will also become a stronger, better capitalized company that has the capacity to

⁴⁶ See <https://www.linkedin.com/pulse/linkedin-top-companies-2024-50-best-large-workplaces-grow-hmgyc/>.

1 compete and continue to provide voice and fiber-based service in its California service
2 territory. I am also aware that Verizon intends to offer innovative, in demand service
3 bundles that Frontier cannot offer because Frontier does not have a wireless affiliate.
4 Improving the options for customers in California communities will foster further
5 economic growth and a more robust competitive market. I understand that Verizon's
6 panel testimony will be addressing this in further detail.

7 **Q81. WOULD THE PROPOSED TRANSACTION PRESERVE THE JURISDICTION**
8 **OF THE COMMISSION AND THE CAPACITY OF THE COMMISSION TO**
9 **EFFECTIVELY REGULATE AND AUDIT PUBLIC UTILITY OPERATIONS IN**
10 **THE STATE? (SCOPING MEMO NO. 10)**

11 A81. Yes. No party points to any difference in Frontier's regulatory status that will occur
12 based on this Transaction, and there is none. Frontier's public utility entities are being
13 acquired through a parent company merger, so they will remain ILECs, COLRs,
14 telephone corporations, and public utilities—the same designations that they hold today.

15 **Q82. DOES THE PROPOSED TRANSACTION PROVIDE MITIGATION MEASURES**
16 **TO PREVENT SIGNIFICANT ADVERSE CONSEQUENCES THAT MAY**
17 **RESULT? IF SO, WHAT SHOULD THOSE CONDITIONS OR MEASURES BE?**
18 **WHAT MECHANISMS SHOULD THE COMMISSION USE TO ENFORCE**
19 **MITIGATION CONDITIONS OR MEASURES? (SCOPING MEMO NO. 11)**

20 A82. Yes. The Transaction will introduce a much stronger, better capitalized competitor into
21 the market with greater resources, access to financial markets, and financial ability to
22 sustain operations in the state over time. Intervenor testimony minimizes and attempts to
23 undervalue the affirmative benefits of the proposed Transaction to achieve broader policy
24 agendas with no nexus to the Transaction. Intervenors highlight and amplify certain facts
25 and arguments in an attempt to bolster support for their position that the Commission
26 should only approve the Transaction if incremental conditions and requirements are
27 placed on the Applicants. These proposed conditions are not appropriate or necessary.

1 Without any “mitigation measures,” the Transaction will clearly enhance Frontier’s
2 ability to maintain and further improve the quality and scope of services it delivers
3 despite the ongoing loss of telephone service revenues and the high cost of serving its
4 customers. The Transaction will also make Frontier a stronger and more viable service
5 provider in the highly competitive communications market in California, which will
6 provide further benefit to its existing customers and other consumers in its service
7 footprint.

8 **Q83. WHAT IMPACTS WOULD THE PROPOSED TRANSACTION HAVE ON**
9 **ENVIRONMENTAL AND SOCIAL JUSTICE COMMUNITIES? (SCOPING**
10 **MEMO NO. 12)**

11 A83. Frontier serves a wide variety of communities in numerous topographies, including in
12 urban, suburban, and rural areas. Some of these communities within this footprint are
13 more disadvantaged than others and Frontier serves all of these communities equally. I
14 understand that Verizon will continue these practices. Again, Verizon will bring
15 additional capital to bear that can help address the access needs of underserved
16 households and small businesses and advance the interests of “Environmental and Social
17 Justice Communities.” I am not aware of any harms to these communities that will be
18 caused by Verizon’s prospective ownership of Frontier.

19 **Q84. WOULD APPROVAL OF THE TRANSACTION AFFECT THE ACHIEVEMENT**
20 **OF ANY OF THE NINE GOALS OF THE COMMISSION’S ENVIRONMENTAL**
21 **AND SOCIAL JUSTICE ACTION PLAN? (SCOPING MEMO NO. 13)**

22 A84. I have reviewed the Commission’s Environmental and Social Justice Action Plan 2.0, and
23 the “nine goals” embodied in the plan. Two of those goals stand out to me as pertinent to
24 this Transaction: Goals 3 and 5. Goal 3 pertains to the Commission’s call to help
25 “Ensure implementation of new investments that offer ESJ communities’ access to
26 essential communications services at affordable rates.” As I have noted, the difference

1 between Frontier’s limited investment capacity and Verizon’s more robust platform going
2 forward is dramatic, and Verizon’s leadership, capital and human resources, national
3 scope, and deep management bench will all contribute to investments and service
4 offerings that help connect low-income and disadvantaged communities, thereby
5 furthering Goal 3. Goal 5 focuses on helping “ESJ Communities” to “benefit from
6 CPUC programs.” I am aware that Verizon is familiar with the California LifeLine
7 program and that it will be continuing to support Frontier’s participation in it, as well as
8 the other public policy programs that facilitate universal service, including the California
9 High Cost Fund-B, California Teleconnect Fund, Deaf and Disabled Telecommunications
10 Program, and CASF. Moreover, both Verizon and Frontier have participated in supplier
11 diversity reporting under G.O. 156, and post-Transaction, the same rules will apply.

12 **Q85. BEFORE THE APPROVAL OF ANY TRANSACTIONS, DOES FRONTIER**
13 **HAVE UNMET COMPLIANCE OBLIGATIONS, PURSUANT TO PRIOR**
14 **COMMISSION DECISIONS? IF SO, HOW SHOULD THE COMMISSION**
15 **ENSURE THAT THESE OBLIGATIONS ARE MET IN THE FUTURE?**
16 **(SCOPING MEMO NO. 14)**

17 A85. There is no need for the Commission to address preexisting conditions from the
18 Restructuring Decision (D.21-04-008), as that decision stands on its own and is subject to
19 its own enforcement mechanisms, including a Compliance Monitor and regular
20 compliance filings, that will continue to apply to the extent that the requirements remain
21 ongoing or conditions are unmet. I note that, in her testimony, Ms. McPeak recommends
22 that the Commission should ensure that Frontier has complied with the obligations to the
23 Yurok Tribe under the Restructuring Decision (D.21-04-008), contained in Attachments 1
24 and 3.⁴⁷ However, as I explained in my opening testimony, Frontier only has one

⁴⁷ *McPeak Testimony* at 23:18-21.

1 outstanding condition from the Restructuring Decision that has not yet been completed,
2 which appears in the Attachment 3 settlement agreement attached to D.21-04-008 and
3 which Frontier is continuing to address with the Tribe. (§ 2.F). Again, because there is
4 already an enforcement resolution in place, including a compliance monitor to ensure
5 compliance, that would continue to apply to the California Operating Subsidiaries post-
6 Transaction, there is no need for this proceeding to further address this outstanding
7 settlement condition.

8 **Q86. WHAT PUBLIC BENEFITS WILL BE REALIZED AS A RESULT OF THE**
9 **PROPOSED TRANSACTION? (SCOPING MEMO NO. 15)**

10 A86. As explained above, the public will benefit from this Transaction in the form of a
11 financially healthier company, enhanced service offerings, greater bundling of services,
12 increased network investments, and the larger economies of scale that Verizon will bring
13 to Frontier’s operational platform.

14 **Q87. ARE THERE ANY ADDITIONAL COMMITMENTS THE JOINT APPLICANTS**
15 **SHOULD BE REQUIRED TO MEET, INCLUDING ADDITIONAL**
16 **INVESTMENTS IN CALIFORNIA, AS PART OF THIS TRANSACTION?**
17 **(SCOPING MEMO NO. 16)**

18 A87. No. Frontier has not proposed any additional commitments because the Transaction is
19 beneficial as presented, and no “mitigation” measures are needed to realize these benefits.
20 Intervenors have proposed a wide range of conditions, many of which are onerous, lack a
21 factual basis, and lack a proper nexus to the Transaction. I understand Verizon will also
22 be addressing these various conditions in its panel testimony.

1 **Q88. WHAT COMPLIANCE METHODS SHOULD THE COMMISSION USE TO**
2 **ENSURE THE JOINT APPLICANTS MEET ANY COMMITMENTS REQUIRED**
3 **AS A CONDITION OF APPROVAL OF THIS TRANSACTION, INCLUDING**
4 **INVESTMENTS IN CALIFORNIA? (SCOPING MEMO NO. 17)**

5 A88. This Transaction only impacts the ownership of Frontier’s public utilities in California. It
6 does not modify the operating authority or jurisdictional status of any of these companies.
7 Therefore, while Intervenors propose heavy-handed enforcement mechanisms, including
8 a large “performance bond,” those measures are unnecessary and unnecessarily costly.⁴⁸
9 While there is no reason to assume that this Transaction will cause compliance concerns,
10 the Commission already has ample ability to enforce its rules and it can request
11 information from utilities to inform future action as needed.

12 **Q89. IS THERE A SPECIFIC GEOGRAPHIC REGION, GROUP OF INDIVIDUALS,**
13 **OR BUSINESSES THAT WOULD BE IMPACTED BY THE PROPOSED**
14 **TRANSACTION? (SCOPING MEMO NO. 18)**

15 A89. No. The Transaction will not favor specific groups of individuals, businesses, or regions.

16 **Q90. HOW WOULD THE PROPOSED TRANSACTION IMPACT THE PROVISION**
17 **OF LIFELINE? (SCOPING MEMO NO. 19)**

18 A90. The Transaction has no impact to the provision of Lifeline. The Frontier ILECs provide
19 Lifeline supported services today and will continue providing Lifeline after the
20 Transaction closes pursuant to both the state and federal programs. Frontier does not
21 currently offer a low-income broadband program beyond Lifeline; it previously offered
22 two low-income broadband programs (“Fundamental Internet Program” and “Affordable
23 Broadband”) prior to February 2024 and these programs are still provided to
24 grandfathered customers that subscribed to the service prior to that time. I also note that
25 in support of her proposal, Ms. Salas misstates Frontier’s marketing and outreach

⁴⁸ *Duffy Testimony* at 2:21-3:8.

1 expenditures and the nature of those expenditures, which were not for the federal
2 Emergency Broadband Benefit (“EBB”) program as Ms. Salas asserts. Frontier’s
3 response to TURN’s data request 5.2, which Ms. Salas cites and which is attached to her
4 testimony, states that Frontier did not track its marketing expenditures for EBB.⁴⁹ The
5 2021 marketing expenditures identified in Ms. Salas’ testimony relate to Frontier’s
6 Fundamental Internet Program and the 2022 and 2023 expenditures relate to the
7 Affordable Connectivity Program (“ACP”).⁵⁰

8 **Q91. HOW WOULD THE PROPOSED TRANSACTION IMPACT EXISTING COLR**
9 **SERVICE? (SCOPING MEMO NO. 20)**

10 A91. This Transaction will have no impact on Frontier’s COLR status or ongoing COLR
11 obligations. Mr. Brevitz notes that “[t]here are significant concerns about the Carrier of
12 Last Resort obligation that came to a head in AT&T’s petition to withdraw as a carrier of
13 last resort in areas where ‘voice alternatives’ exist.”⁵¹ However, AT&T’s petition did not
14 concern either Frontier or Verizon, and the issues pertaining to the COLR designation are
15 already being examined on an industry-wide basis in R.24-06-012. None of the
16 determinations in that proceeding hinge on whether the instant Transaction is approved
17 and consummated.

⁴⁹ *Salas Testimony*, Errata at 28, Confidential Exhibit ALS-5-FR-C (Frontier’s Response to TURN DR 5.2).

⁵⁰ *Id.*

⁵¹ *Brevitz Testimony* at 57:5-7.

1 **Q92. HOW WOULD THE PROPOSED TRANSACTION IMPACT THE QUALITY OF,**
2 **AND ACCESS TO, SERVICE TO CALIFORNIA CONSUMERS IN**
3 **METROPOLITAN AREAS, RURAL AREAS, OR OTHER GEOGRAPHICALLY**
4 **DISTINCT MARKETS? WHAT SERVICES WOULD BE AFFECTED?**
5 **(SCOPING MEMO NO. 21)?**

6 A92. There is no reason to believe that this Transaction will limit access to services or
7 diminish service quality. In fact, as I noted above, Verizon will be introducing new
8 bundled service offerings that will improve the options for consumers and thereby
9 enhance access to service for California consumers in urban, rural and other geographic
10 communities. Verizon will address this subject in further detail.

11 **Q93. ARE THERE OTHER POTENTIAL NEGATIVE IMPACTS OF THIS**
12 **PROPOSED TRANSACTION? (SCOPING MEMO NO. 22)**

13 A93. No. Intervenors do not point to any tangible negative impacts of this Transaction.

14 **Q94. WOULD THE TRANSACTION LEAD TO POSITIVE IMPACTS, SUCH AS**
15 **INCREASED EFFICIENCY OR INNOVATION? (SCOPING MEMO NO. 23)**

16 A94. Yes. As explained above, the Transaction will lead to a wide range of service bundles,
17 innovative products, and enhanced investment. These are all positive impacts that
18 strongly militate toward approving the Transaction.

19 **Q95. DO THE POTENTIAL BENEFITS OF THIS PROPOSED TRANSACTION**
20 **EXCEED ANY POTENTIAL NEGATIVE EFFECTS? (SCOPING MEMO NO. 24)**

21 A95. Yes. The benefits of this Transaction significantly outweigh any perceived concerns. No
22 Intervenor seriously contends that the public interest would be better served by rejecting
23 this Transaction. While Intervenors suggest that additional conditions should be
24 imposed, the overall presentation from all parties confirms that California communities
25 and consumers will be better off if Verizon acquires Frontier.

1 **Q96. SHOULD THE COMMISSION APPROVE THE APPLICATION? (SCOPING**
2 **MEMO NO. 25)**

3 A96. Yes, for all the reasons set forth in this testimony and in my opening and supplemental
4 testimony, along with the testimony from each of the Verizon witnesses, the Commission
5 should approve the Application.

6 **VII. CONCLUSION**

7 **Q97. PLEASE SUMMARIZE YOUR TESTIMONY.**

8 A97. The Commission’s approval of the proposed Transaction will clearly provide affirmative
9 benefits to Frontier customers in California. By leveraging Verizon’s significant
10 financial strength and resources, technology, tools, and training, Frontier customers will
11 receive high quality service and enhanced service choices. Frontier will become a
12 stronger, better capitalized company that has the capacity to compete and continue to
13 provide voice and fiber-based service in its California service territory. The Commission
14 should approve the Transaction without conditions and should permit it to be
15 consummated at the earliest opportunity.

16 **Q98. DOES THIS COMPLETE YOUR TESTIMONY?**

17 A98. Yes. However, I reserve the right to elaborate further on the points addressed here during
18 the evidentiary hearings, and Frontier may further discuss Intervenors’ proposals in
19 briefs.

AE-R-1

**[PUBLIC; redacted entirely due to
confidentiality]**

AE-R-2

**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 Communication 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)

**TURN's RESPONSE TO
JOINT APPLICANTS' DATA REQUEST 001**

Ashley L. Salas
Telecom. Reg. & Policy Attorney
The Utility Reform Network (TURN)
360 Grand Ave., Ste. 150
Oakland, CA 94610
(619) 398-3680
asalas@turn.org

May 9, 2025

OBJECTIONS:

May 6, 2025: On Friday, May 2, 2025, TURN received Joint Applicants DR 1 to TURN. Joint Applicants requested an expedited due date of Tuesday, May 6, 2025, for questions 1 and 2. The DR requested copies of publicly available information, including information that TURN provided links to in its testimonies. As discussed for each individual response, and as memorialized in Attachment A, counsel for TURN, Frontier, and Verizon agreed to a narrower production.

In general, a two-business-day turnaround time for data requests is unduly burdensome, particularly the production of publicly available information that is available to the requesting parties.

May 9, 2025: TURN responded to DRs 1.1 and 1.2 on Tuesday, May 6, 2025. Joint Applicants requested the remaining responses to Joint Applicant DR 1 on an expedited due date of Friday, May 9, 2025.

In general, a five-business-day turnaround time for data requests is unduly burdensome.

Joint Applicants DR 1.3 to TURN

For each condition recommended in TURN's Testimony, please identify the following:

- a. Whether the condition is currently a requirement for any telephone corporation or any communication or cable company in California.**
- b. If TURN contends that the condition is a requirement for any other telephone corporation, communications company or cable company in California, please identify the entity and the Commission decision or other authority allegedly enacting the requirement.**
- c. Any Commission decision adopting a similar condition in connection with a transfer of control application under Public Utilities Code Section 854.**
- d. Any other regulated or unregulated provider of telecommunications services, including voice, data, or voice services that TURN contends abides by the condition currently.**
- e. Any cost study or estimate prepared by TURN reflecting the cost associated to implement the condition.**
- f. The aggregate estimated cost for Frontier to comply with all of the proposed conditions.**
- g. Provide a comparison of the aggregate estimate cost for Frontier to comply with these conditions to the amount TURN estimates and testifies should be allocated to ratepayers in accordance with Section 854(b)(2).**

Please provide separate responses for each witness's testimony.

Objections:

TURN objects to Joint Applicants DR 1.3 to TURN as unduly burdensome, requesting information that is publicly available to the Joint Applicants. Without waiving the objections, TURN responds as follows.

TURN's Response:

In response to Joint Applicants DR 1.3 (a-d), the conditions for approval recommended in Mr. Brevitz' and Ms. Salas' testimony are similar to conditions the Commission adopted in the following proceedings:

- D.15-12-005 (A.15-03-005, 2015 Frontier/ Verizon Acquisition) available at <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M156/K249/156249641.pdf>,
- D.16-05-007 (A.15-07-009, Charter/ Time Warner Acquisition) available at <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M162/K004/162004567.PDF>,
- D.19-03-017 (A.15-03-005, 2015 Frontier/ Verizon Acquisition) available at <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M277/K818/277818424.PDF>, attachment available at <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M277/K814/277814107.pdf>,
- D.20-04-008 (A.18-07-011 et al., Sprint/ T-Mobile merger) available at <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M335/K378/335378035.PDF>, attachments available at <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M335/K031/335031075.pdf>
- D.21-03-043 (A.20-05-010, Frontier Bankruptcy) available at <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M372/K510/372510757.PDF>, attachments available at <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M372/K512/372512298.pdf>,
- D.21-04-008 (A.20-05-010, Frontier Bankruptcy) available at <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M379/K131/379131647.PDF>, attachments available at <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M379/K129/379129234.pdf>, and
- D.21-11-030 (A.20-11-001, Verizon/ TracFone Acquisition) available at <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M424/K368/424368586.PDF>.

Mr. Brevitz' Testimony:

- a. Brevitz Condition 1, deployment of modern broadband facilities to additional locations in Frontier's service area over a three-to-five year period (Brevitz Direct, page 68, lines 12-14): Mr. Brevitz is not aware of a similar current requirement for other telephone corporations or communications or cable companies in California but notes that an analogous commitment was agreed to among certain parties to the Frontier bankruptcy emergence proceeding in A.20-05-010 under PUC Section 854. Beyond the cases listed above, Mr. Brevitz is not aware of other telephone corporations or communications or cable companies in California which have applied for approval of transfer of control pursuant to California Public Utilities Code Section 854 requiring demonstration of public benefit which could lead to such conditions being imposed or agreed to, in the past ten years. Following extensive discussion of proposed mitigating conditions at pages 71-75 of the Commission Decision 15-12-005 in A.15-03-005 the Commission imposed various conditions on Frontier associated with its acquisition of the Verizon California service areas under PUC Section 854.

Brevitz Condition 2, Verizon should seek BEAD funds to deploy modern broadband facilities to additional locations in California (Brevitz Direct, page 69, lines 3-5): Mr.

Brevitz is not aware of a similar current requirement for other telephone corporations or communications or cable companies in California but notes that Frontier used RDOF and CASF funds under an analogous commitment that was agreed to among certain parties to the Frontier bankruptcy emergence proceeding in A.20-05-010 under PUC Section 854. Beyond the cases listed above, Mr. Brevitz is not aware of other telephone corporations or communications or cable companies in California which have applied for approval of transfer of control pursuant to California Public Utilities Code Section 854 requiring demonstration of public benefit which could lead to such conditions being imposed or agreed to, in the past ten years. Following extensive discussion of proposed mitigating conditions at pages 71-75 of the Commission Decision 15-12-005 in A.15-03-005 the Commission imposed various conditions on Frontier associated with its acquisition of the Verizon California service areas under PUC Section 854.

Brevitz Condition 3, Verizon should produce its “in-depth network audit” to the Commission within six months of closing the transaction to identify trouble-prone wire centers and outside plant facilities with chronic troubles and investment plans to address and remedy those service quality troubles with maintenance and upgrades (Brevitz Direct, page 69, lines 6-10): Mr. Brevitz is not aware of a similar current requirement for other telephone corporations or communications or cable companies in California but notes that Verizon’s proposed “in-depth network audit” is unique among telephone corporations or communications or cable companies in California. Mr. Brevitz is not aware of other telephone corporations or communications or cable companies in California which have applied for approval of transfer of control pursuant to California Public Utilities Code Section 854 requiring demonstration of public benefit in which they have proposed an “in-depth network audit” that could lead to such conditions being imposed or agreed to, in the past ten years other than the Verizon sale of its California service areas to Frontier in 2015 in the transfer of control proceeding in A.15-03-005. In that matter the ALJ directed Verizon to prepare a “comprehensive report on the current condition” of the Verizon network. D.15-12-005, page 5. Following extensive discussion of proposed mitigating conditions at pages 71-75 of the Commission Decision 15-12-005 in A.15-03-005 the Commission imposed various conditions on Frontier associated with its acquisition of the Verizon California service areas under PUC Section 854.

Brevitz Condition 4, Verizon should provide a proposal to the Commission within six months of closing the transaction on how and where Verizon’s experience with “green bonds” can be used appropriately in California to finance improvement of energy efficiency of its networks – particularly copper networks in rural areas (page 70, lines 4-7): Mr. Brevitz is not aware of a similar current requirement for other telephone corporations or communications or cable companies in California but notes that Verizon’s proposed use of “green bonds” is stated by Verizon to be unique among telephone corporations or communications or cable companies in California. Mr.

Brevitz is not aware of other telephone corporations or communications or cable companies in California which have applied for approval of transfer of control pursuant to California Public Utilities Code Section 854 requiring demonstration of public benefit in which they have proposed use of “green bonds” that could lead to such conditions being imposed or agreed to, in the past ten years other than the Verizon sale of its California service areas to Frontier in 2015 in the transfer of control proceeding in A.15-03-005. Following extensive discussion of proposed mitigating conditions at pages 71-75 of the Commission Decision 15-12-005 in A.15-03-005 the Commission imposed various conditions on Frontier associated with its acquisition of the Verizon California service areas under PUC Section 854.

- b. Not applicable.
 - c. Following extensive discussion of proposed mitigating conditions at pages 71-75 of the Commission Decision 15-12-005 in A.15-03-005 the Commission imposed various conditions on Frontier associated with its acquisition of the Verizon California service areas under PUC Section 854.
 - d. Mr. Brevitz is unaware of any transfer of control proceedings under PUC Section 854 for such entities in which such conditions might be considered by the Commission.
- e-g. No such cost studies have been performed. However, any aggregate estimated cost would be offset by the material estimated cost and revenue synergies described in pages 49-52 of the Brevitz Direct Testimony.

Ms. Salas’ Testimony:

The following response is based on the summary of Ms. Salas’ recommendations, found on page 4 of her testimony.

- a-d. Ms. Salas recommends “new investments that offer ESJ communities’ access to essential communications services at affordable rates.” The Commission has required analogous conditions in other merger proceedings. For example, in the Verizon acquisition of TracFone, the Commission required Verizon to meet LifeLine subscriber percentages from low-income disadvantaged communities. For another example, in the Frontier Bankruptcy proceeding, the Commission required Frontier to invest in infrastructure. For yet another example, in the T-Mobile acquisition of Sprint, the Commission required New T-Mobile and DISH to deploy infrastructure.

Ms. Salas recommends “prevent[ing] Verizon from relinquishing the ETC designations of Frontier entities, particularly Lifeline-Only ETCs.” The Commission has required analogous conditions in other merger proceedings. For example, in the Verizon acquisition of TracFone, the Commission required Verizon to offer California LifeLine

services for twenty years post-merger. For another example, in the T-Mobile acquisition of Sprint, the Commission required T-Mobile to offer LifeLine indefinitely.

Ms. Salas recommends “requiring Frontier to offer a federal Lifeline broadband service throughout California.” The Commission has required analogous conditions in other merger proceedings. For example, in the Verizon acquisition of TracFone, the Commission required Verizon to offer California LifeLine services for twenty years post-merger. TracFone’s Lifeline plans included broadband services that met the federal Lifeline minimum service standards and were supported by federal Lifeline subsidies.

Ms. Salas recommends “requiring Verizon to offer Verizon Forward services as a federal Lifeline broadband service in California across all technologies, including [copper-based service].” The Commission has required analogous conditions in other merger proceedings. For example, in the T-Mobile acquisition of Sprint, the Commission required New T-Mobile to commit to offering in-home broadband services with minimum speeds of 25/3 Mbps.

Ms. Salas recommends “requiring Verizon to expend a certain amount of money per year on marketing and outreach of its California LifeLine, federal Lifeline, and low-income programs, particularly in ESJ communities.” The Commission has required analogous conditions in other merger proceedings. For example, in the Verizon acquisition of TracFone, the Commission required Verizon to expend money for marketing and outreach of its LifeLine plan. For another example, in the T-Mobile acquisition of Sprint, the Commission required T-Mobile to expend money for digital inclusion and to bridge the digital divide.

e-g. No such cost studies have been performed. However, any aggregate estimated cost would be offset by the material estimated cost and revenue synergies described in pages 49-52 of the Brevitz Direct Testimony.

Joint Applicants DR 1.4 to TURN

Please provide any documents reflecting specific input that TURN has received from its members regarding the Transaction.

Objections:

TURN objects to Joint Applicants DR 1.4 to TURN as beyond the scope of intervenor testimony. TURN’s intervenor testimonies did not assert that it had received any documents or specific input from TURN’s members regarding Verizon’s proposed acquisition of Frontier. Without waiving the objection, TURN responds as follows.

TURN’s Response:

TURN has not polled its members for specific input regarding Verizon’s proposed acquisition of Frontier. TURN’s members rely on TURN’s staff and consultants to do the deep analysis of whether complex transactions such as the proposed merger are beneficial to customers.

AE-R-3

A.24-10-006 (FRONTIER VERIZON TRANSACTION PROCEEDING)

**Verizon Communications Inc.
Frontier Communications Parent, Inc.
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 Online and Long Distance Inc. (U 7167 C), and
Frontier Communications of America, Inc. (U 5429 C)**

First Set of Data Requests to the Public Advocates Office

May 2, 2025

Verizon Communications Inc. (“Verizon”) and Frontier Communications Parent, Inc. including its California local exchange and long distance subsidiaries, 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 Online and Long Distance Inc. (U 7167 C), and Frontier Communications of America, Inc. (U 5429 C) (collectively, “Frontier” and together with Verizon, the “Joint Applicants”) hereby propounds its first set of data requests upon the Public Advocates Office (“Cal Advocates”) in connection with Frontier’s transfer of control proceeding, A.24-10-006. The Joint Applicants seek information from Cal Advocates, an opposing party in this case, as part of the Joint Applicants’ efforts to understand, clarify, and test Cal Advocates’ proposals. *See* CPUC Rule of Practice and Procedure 10.1 (“any party may obtain discovery from any other party, not privileged, that is relevant to the subject matter involved in the pending proceeding . . .”).

Frontier requests objections to these data requests no later than May 7, 2025 and responses no later than **May 9, 2025**. Although this deadline is only seven calendar days from the date of these requests, these data requests merely seek information supporting the testimony

already submitted by Cal Advocates, and which therefore should not require significant effort for Cal Advocates to assemble. Given the expedited timing of events in this proceeding and the May 15th deadline for Joint Applicants' Rebuttal Testimony, this shortened time frame is reasonable. Please provide full and complete responses to these data requests no later than the date specified. To the extent feasible, responses should be delivered electronically to (1) Frontier's attorneys, Sarah J. Banola and Patrick M. Rosvall, of BRB Law LLP, at sarah@brblawgroup.com and patrick@brblawgroup.com, with copies to Maile Kim (maile@brblawgroup.com) and Darren Lee (darren@brblawgroup.com) and (2) Verizon's attorneys, Kristin Jacobson and Morgan Schick, of DLA Piper LLP, at kristin.jacobson@us.dlapiper.com and morgan.schick@us.dlapiper.com.

Any inquiries or concerns regarding these requests should be sent promptly to Sarah J. Banola at sarah@brblawgroup.com / (510) 955-1082, Patrick Rosvall at patrick@brblawgroup.com / (415) 518-4813, Kristin Jacobson at kristin.jacobson@us.dlapiper.com / (415) 615-6061, and Morgan Schick at morgan.schick@us.dlapiper.com / (202) 799-4550.

DEFINITIONS

1. The terms "Cal Advocates," "you" or "your" mean the Public Advocates Office of the California Public Utilities Commission and its officials, agents, employees, analysts, consultants, experts, and any others acting or purporting to act on its behalf, regardless of whether those individuals are witnesses or formally working on the proceeding.
2. The term "Cal Advocates' employee" means any agent, employee, analyst, consultant, expert, and/or any person acting on behalf of Cal Advocates.
3. The term "Frontier" means Frontier Communications Parent, Inc., including its California

local exchange and long distance subsidiaries, 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 Online and Long Distance Inc. (U 7167 C), and Frontier Communications of America, Inc. (U 5429 C).

4. The term “documents” shall have its broadest meaning and includes, without limitation, any written, typed, recorded or graphic matter and tangible things, however limitation, any written, typed, recorded or graphic matter and tangible things, however produced or reproduced, including, but not limited to, papers, letters, memoranda, telegrams, telecopies, emails, text messages, reports, studies, analyses, contracts, agreements, schematics, correspondence, notes, diaries, books, notebooks, and any other writings, drawings, graphs, charts, photographs, tapes, recordings, and computer stored data or other data compilations from which information can be obtained or translated. The term “documents” includes, without limitation, any drafts, revisions, and amendments of any of the above, and all copies of writings on which there appear any marking or information that does not appear on the original thereof.

5. The term “data” refers to any and all documents, workpapers, reports, reference materials, spreadsheets, files, diskettes and any other papers or physical or electronic information.

6. The term “person” means, in the plural as well as the singular, any natural person, association, partnership, corporation, or other form of legal entity, including all representatives of any such person.

7. The term “Transaction” refers to the proposed indirect transfer of control of Frontier’s wholly owned subsidiaries, Frontier California (U 1002 C), CTC California (U 1024 C), Frontier Southwest (U 1026 C), Frontier LD (U 7167 C), and Frontier America (U 5429 C), to Verizon.

8. The term “Testimony” refers to all volumes of testimony served in Proceeding A.24-10-006 on May 1, 2025.

INSTRUCTIONS

You are instructed to answer the following questions with written, verified responses per Rules 1.1 and 10.1 of the California Public Utilities Commission’s Rules of Practice and Procedure. Restate the text of each question prior to providing the response. For any questions, contact Frontier's attorneys at the contact information above.

Provide your response as it becomes available, but no later than the due date noted above. If you are unable to provide a response by this date, notify Frontier as soon as possible, with a written explanation as to why the response date cannot be met and a best estimate of when the information can be provided.

Responses should be provided in the original electronic format only. All electronic documents submitted in response to this data request should be in readable, downloadable, printable, and searchable formats, unless use of such formats is infeasible. Each page should be numbered. If any of your responses refer to or reflect calculations, provide a copy of the supporting electronic files that were used to derive such calculations, such as Excel-compatible spreadsheets or computer programs, with data and formulas intact and functioning. Documents produced in response to the data request should be Bates-numbered and indexed if voluminous. Responses to requests that refer to or incorporate documents should identify the particular documents referenced by Bates-numbers or Bates-range.

Answer the requests to the fullest extent possible, specifying the reason for any inability to answer the remaining portion of the data request.

Failure to provide responses to these requests, or objections thereto, by the due date

specified above constitutes waiver of any objections to the questions, including, but not limited to, claims of privilege and “work product protection.”

DATA REQUESTS

DATA REQUEST NO. 1:

For each individual who submitted testimony on behalf of Cal Advocates in this proceeding on May 1, 2025, please provide executable copies of all workpapers or other documents used in deriving the facts presented in that individual’s testimony. These documents include, but are not limited to, charts, tables, and figures appearing in testimony, and documents referenced in testimony but which have not been attached to the testimony.

DATA REQUEST NO. 2:

Please provide copies of any publications, sources, reports, authorities, or other materials cited by any witness in Cal Advocates’ testimony.

DATA REQUEST NO. 3:

For each condition recommended in Cal Advocates’ Testimony, please identify the following:

- a. Whether the condition is currently a requirement for any telephone corporation or any communications or cable company in California.
- b. If Cal Advocates contends that the condition is a requirement for any other telephone corporation, communications company or cable company in California, please identify the entity and the Commission decision or other authority allegedly enacting the requirement.
- c. Any Commission decision adopting a similar condition in connection with a transfer of control application under Public Utilities Code Section 854.

- d. Any other regulated or unregulated provider of telecommunications services, including voice, data, or video services that Cal Advocates contends abides by the condition currently.
- e. Any cost study or estimate prepared by Cal Advocates reflecting the cost associated to implement the condition.
- f. The aggregate estimated cost for Frontier to comply with all of the proposed conditions.
- g. Provide a comparison of the aggregate estimated cost for Frontier to comply with these conditions to the amount Cal Advocates estimates and testifies should be allocated to ratepayers in accordance with Section 854(b)(2).

Please provide separate responses for each witness's testimony.

DATA REQUEST NO. 4:

Do you claim that Verizon failed to comply with any commitments or conditions in the decision approving Verizon Communications' acquisition of TracFone Wireless, D.21-11-030.

If your answer in anything other than an unequivocal "no," please provide all facts, documents, and authorities supporting your claim.

DATA REQUEST NO. 5:

Please confirm whether your proposed low-cost broadband plan discussed on page 16 of Mr. Duffy's Testimony would have any eligibility requirements. If so, please specify all eligibility requirements.

DATA REQUEST NO. 6:

With regard to the following statement on page 6 of Mr. Duffy's Testimony:

Given Verizon's stated goal of increasing fiber deployment, a "ballpark" figure of

the value of Frontier’s current fiber deployment can be estimated using the California Broadband Investment Model developed for the Federal Funding Account (CostQuest model). According to the CostQuest model, deploying fiber to an unserved location costs on average \$8,148 per location. However, since the CostQuest model uses unserved locations rather than homes for its analysis, it is appropriate to also use a lower value of per-location cost to estimate the cost per home passed.

Please provide all facts, documents, and authorities supporting your estimate of the value of Frontier’s current fiber deployment, including, without limitation, justification for your proposed cost per home passed.

DATA REQUEST NO. 7:

To the extent not already provided in response to question 1, please provide a detailed methodology and all supporting calculations or other data underlying the CostQuest per location costs for broadband deployment discussed on pages 6-7 of Mr. Duffy’s Testimony.

DATA REQUEST NO. 8:

Please provide all facts, documents, and authorities supporting your assertion that “Verizon would save 65% of 5G backhaul deployment costs if existing FTTP is available.” *See Duffy Testimony* at 8:9-10.

DATA REQUEST NO. 9:

Please provide all facts, documents, and authorities supporting any claim that Verizon has engaged in “tier flattening” or overcharged customers. *See Duffy Testimony* at 17-18.



Public Advocates Office

*Public Advocates Office
California Public Utilities Commission*

505 Van Ness
Avenue San
Francisco, CA
94102

Phone: (415)
703-2544

Fax: (415) 703-
2057

**Cal Advocates Data Request Response
01**

[www.publ
ic
advocates.
ca.gov](http://www.publicadvocates.ca.gov)

**A.24-10-006: Joint Application for Approval of the Transfer of Control of Frontier
California Inc. (U 1002 C), et al, to Verizon Communications Inc.**

Date: May 9, 2025

To: Patrick Rosvall
Attorney for Frontier
Communications Parent, Inc.
And its California Operating
Subsidiaries

Phone: (510) 955-1081
Email: patrick@brblawgroup.com

Sarah Banola
Attorney for Frontier
Communications Parent, Inc.
And its California Operating
Subsidiaries

Phone: (510) 955-1081
Email: sarah@brblawgroup.com

From: Lucas Duffy
Analyst for the Public Advocates
Office

Scott Merrill
Attorney for the Public Advocates
Office

Phone: (916) 894-5724
Email: scott.merrill@cpuc.ca.gov

**Re: A.24-10-006, Public Advocates Office Response to DR 1 from Joint Applicants,
Part 2**

Pursuant to California Public Utilities Commission Rules of Practice and Procedure Rule (Rule) 10.1, these are the Public Advocates Office (Cal Advocates) responses (Response) to the Joint Applicants' Data Request (DR) 1. DR 1 was submitted to Cal Advocates on Friday, May 2, 2025. Cal Advocates responded to DR questions 1 and 2 on Wednesday, May 7th. As part of this response, Cal Advocates has included general objections and reservation of rights.

GENERAL OBJECTIONS

1. Cal Advocates objects to the data request to the extent that it exceeds the requirements of applicable law, purports to impose upon Cal Advocates any obligations broader than those set forth in the California Code of Civil Procedure, the California Public Utilities Code, the Commission Rules of Practice and Procedure, or applicable law.
2. Cal Advocates objects to the data request as improper, overbroad, and unduly burdensome to the extent that it seeks the disclosure of information or documents containing privileged communications, attorney work product, and/or other protected information on the ground that such discovery is not permissible under the California Code of Civil Procedure or applicable rules in the Commission's Rules of Practice and Procedure.
3. Cal Advocates objects to the data request to the extent that it improperly requests or purports to require access to confidential information.
4. Cal Advocates objects to the data request to the extent that it seeks the production of information and/or documents not in Cal Advocate's possession, custody, or control, or not readily available to Cal Advocates.
5. Cal Advocates objects to the data request insofar as it is vague, ambiguous, overly broad and unduly burdensome, imprecise, or utilizes terms that are subject to multiple interpretations but are not properly defined or explained for purposes of the information request.
6. Cal Advocates objects to any request for its testimony or analysis in advance of this information being served. Until Cal Advocates files its testimony, none of its information or analysis is finalized. Any information requested regarding Cal Advocates' final testimony will not be available until it has been served. Furthermore, parties should do their own analysis and not rely on Cal Advocates to do their work.

RESERVATIONS

1. The fact that any response is given to this request is not an admission or concession that the substance of the data request is permissible discovery or inquiry.

2. Cal Advocates' investigation and discovery of the matters relating to this request are continuing. The responses and objections herein are based upon information and or documents presently known to, and in the possession of, Cal Advocates. Cal Advocates reserves the right to rely on any documents or other evidence that may develop or subsequently come to its attention, to assert additional objections or supplemental responses should Cal Advocates discover that there is information or grounds for objections, and to supplement or amend these responses at any time.
3. Nothing contained in these responses is intended to be or should be considered a waiver of the attorney-client privilege, attorney work-product doctrine, or other applicable privilege, immunity, the right of privacy or other exemption from discovery. Cal Advocates specifically reserves the right to assert privileges for any privileged or otherwise protected information that is disclosed inadvertently in response to these data requests.

Response to Data Request NO. 3:

Cal Advocates objects to this Data Request as being overly burdensome. Cal Advocates does not have the resources to conduct a thorough review of all the relevant telecommunications transactions in California.

Cal Advocates responds that the California Public Utilities Commission has imposed a wide variety of conditions on other mergers and transfers of control, including conditions requiring infrastructure buildout. See for example D.16-05-007 in A.15-07-009, Ordering Paragraph 2f and D.20-04-008 in A.18-07-011, Ordering Paragraph 4a.

Mr. Duffy's testimony contains all of the conditions recommended by Cal Advocates. *See* section II "Summary of Recommended Conditions of Approval" at 2. Cal Advocates responds to this Data Request generally across all of the conditions recommended by Cal Advocates because the vast majority of the answers are the same or similar. Any differences have been cited to by Mr. Duffy in his testimony.

- a. Beyond what Mr. Duffy has cited to directly in his testimony, Cal Advocates is not aware as to whether each of its recommended conditions are currently requirements for any telephone corporation or any communications or cable company in California, and does not contend so at this time.
- b. Please reference Cal Advocates' answer to part (a) above.
- c. Please reference Cal Advocates' answer to part (a) above.
- d. Please reference Cal Advocates' answer to part (a) above.
- e. Cal Advocates has not prepared any estimates to determine the cost associated with each condition, rather Cal Advocates identifies the conditions necessary to ensure the transaction provides economic benefits to ratepayers.
- f. Please reference Cal Advocates' response to part (e) above.

- g. Cal Advocates does not contend that its recommended conditions will be sufficient to guarantee that ratepayers will be allocated 50 percent or more of the total economic benefits of the transaction in accordance with Section 854(b)(2). Cal Advocates has not calculated an aggregate estimated cost for Frontier to comply with its recommended conditions. Therefore, Cal Advocates cannot compare such an estimate to the amount that should be allocated to ratepayers. Rather, the conditions Cal Advocates recommends in Mr. Duffy's testimony are designed to ensure the transaction itself generates economic benefits to ratepayers in accordance with Section 854(b)(1).

Response to Data Request NO. 4:

Cal Advocates does not affirm or deny that Verizon failed to comply with any commitments or conditions in the decision approving Verizon Communications' acquisition of TracFone Wireless, D.21-11-030, in its testimony. Cal Advocates is aware of problems Verizon had with complying with migration conditions, and references Center for Accessible Technology's Opening Testimony of Paul Goodman at pp. 8-11. Additionally Cal Advocates references the following article from Communications Daily "Verizon Resolves Calif. Tracfone Migration Dispute in Part". February 26, 2024.

<https://communicationsdaily.com/news/2024/02/26/Verizon-Resolves-Calif-Tracfone-Migration-Dispute-in-Part-2402230055>

Response to Data Request NO. 5:

As stated in Mr. Duffy's testimony, the eligibility requirements would be the same as Verizon Forward's current offering (i.e. qualify for LifeLine, SNAP, Medicaid).

<https://www.verizon.com/discounts/verizon-forward/>

Response to Data Request NO. 6:

The relevant facts, documents, and authorities supporting the estimate of the value of Frontier's fiber deployment are contained within Mr. Duffy's testimony in footnote citations and exhibits. Using the CostQuest model referenced in his testimony, Mr. Duffy selects \$2,000 (representing high-density areas) and \$8,000 (representing low-density areas) per home as the respective lower and upper ends of his ballpark estimate, then multiplies these by the total number of homes in Frontier's service territory that presently have fiber.

Response to Data Request NO. 7:

As explained in Mr. Duffy's testimony, he relies on the methodology utilized by CostQuest associates, and provides this in Appendix B to his testimony (see Exhibit D-3).

Response to Data Request NO. 8:

Mr. Duffy relied on findings from the Fibre to the Home Council of Europe for this assertion. Please reference Mr. Duffy's footnote 25 to find the study he relied upon and navigate to slide 25 of that study.

Response to Data Request NO. 9:

Please reference footnotes 64 and 66 of Mr. Duffy's testimony. The studies he references are by the National Digital Inclusion Alliance and the Markup.

AE-R-4

A.24-10-006 (Verizon and Frontier Joint Application for Transfer of Control)

Response of California Emerging Technology Fund (“CETF”) to Data Request 01 Issued by Verizon Communications Inc., Frontier Communications Parent, Inc., 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) (the “Joint Applicants”) May 8, 2025

CETF hereby responds to the First Set of Data Requests propounded by the Verizon Communications Inc. (“Verizon”) and Frontier Communications Parent, Inc. including its California local exchange and long distance subsidiaries listed above in the heading (collectively “Frontier”) which were dated May 2, 2025 in connection with A.24-10-006. requesting that the Commission authorize the indirect transfer of control of Frontier’s California Operating Subsidiaries to Verizon (the “Transaction”). Data Request 01 includes 17 principal questions, excluding sub-parts.

Subject to the following general objections and the specific objections stated in connection with each question, as applicable, CETF responds as set forth herein.

A. GENERAL OBJECTIONS

CETF objects to Data Request 4 to the extent that it calls for information that is confidential to the decision-making of CETF relating to its Board of Directors and stakeholders which include but are not limited to the Regional Broadband Consortia, Metropolitan Planning Agencies, community-based organizations, local governments, regional entities, and Tribal Nations.

CETF objects to these questions to the extent that they call for information that is not in its possession, custody, or control and to the extent that they seek to impose a duty on CETF to locate, compile, or create additional information that does not currently exist or retrospectively generate information that was not retained in the ordinary course of its operations.

CETF objects to these questions insofar as they present unreasonable or unduly burdensome compliance requirements on a non-profit organization, and to the extent that they are oppressive, vague, and ambiguous, and/or exceed the bounds of reasonable discovery.

CETF expressly reserves the right to object to the relevance of documents produced or responses given in connection with this response.

CETF objects to these questions to the extent that they seek information covered by the attorney-client privilege, common interest privilege, attorney work product protection, and/or other applicable privileges or protections.

CETF objects to these questions to the extent that all or any of them, when read in conjunction with the instructions and definitions contained therein, seek information that constitutes sensitive materials that qualify for protection as trade secrets under California law and/or that is confidential or proprietary to a CETF officer, director, stakeholder, provider, or third party that CETF has an obligation to safeguard from disclosure. CETF objects to the questions to the extent that all or any of them, when read in conjunction with the instructions and definitions contained therein, seek confidential and proprietary materials relating to CETF's programs and operations whose probative value in this proceeding is substantially outweighed by the risk of prejudice or other potential harm to CETF.

CETF objects to Data Requests 1, 2, 3 and 6 as unduly burdensome, duplicative, and cumulative to the extent that it seeks information that was previously attached to the Witness' testimony as exhibits or cited in publicly available documents.

CETF objects to Data Request 3 because it provided an Exhibit providing a matrix showing Commission-ordered conditions on other carriers in similar corporate transaction cases (including the decision number and date) with similar conditions as CETF recommends that the Commission impose on this transaction.

B. RESERVATION OF RIGHTS

Any information or materials provided in response to this data request shall be without prejudice to CETF's right to object to the admissibility of such evidence, or their right to object to further discovery of documents, other information, or materials relating to the same or similar subject matter upon any valid ground, nor be deemed a waiver of objections or applicable privileges.

CETF reserved the right to interpose further objections at the time of producing data or documents or to withdraw any objection interposed herein.

DATA REQUEST NO. 1:

For each individual who submitted testimony on behalf of CETF in this proceeding on May 1, 2025, please provide executable copies of all workpapers or other documents used in deriving the facts presented in that individual's testimony. These documents include, but are not limited to, charts, tables, and figures appearing in testimony, and documents referenced in testimony but which have not been attached to the testimony. "Executable"

means working Excel spreadsheet format, with cells, data, and formulae intact and functioning.

CETF Response: CETF’s only witness, Sunne Wright McPeak, provided all documents, charts, tables, calculations, figures, and a table with Commission decisions approving conditions similar to the ones proposed by Witness McPeak. All of these documents fully support all recommendations made in her testimony. Her Opening Testimony also provided publicly available links to documents in the testimony or in related footnotes, such as Commission decision numbers, Executive Order numbers, and broadband studies. There are no further workpapers or documents to produce.

DATA REQUEST NO. 2:

Please provide copies of any publications, sources, reports, authorities, or other materials cited by any witness in CETF’s testimony.

CETF Response: CETF’s witness, Sunne Wright McPeak, provided citations to all publications, sources, reports, authorities and materials that she relied upon in preparing her testimony. There is nothing further to provide, with the exception of some additional information but not “materials” provided herein in response to Data Request 3.

DATA REQUEST NO. 3:

For each condition recommended in CETF’s Testimony, please identify the following:

- a. **Whether the condition is currently a requirement for any telephone corporation or any communications or cable company in California.**

CETF Response:

Infrastructure Commitment: At page 9 of her testimony, Witness McPeak recommends that the Commission order as a condition of the consolidation a specific schedule of upgrades for quality of service for both voice and broadband services by New Frontier and order an independent monitor to ensure these commitments are met post transaction. As to that recommendation, her testimony at pages 6-7 outlines four transactions imposing similar infrastructure upgrades on Frontier, Charter, and T-Mobile, including Commission decision citations. Further, Exhibit 2 to Witness McPeak’s testimony contains a chart of previous public benefits agreements and recommended commitments from Verizon that are “appropriate, fair and comparable” and a summary of previous public benefits agreements imposed on other telecommunications companies. In these materials, Charter Communications, Frontier, and T-Mobile all had upgrades of infrastructure ordered by the Commission as a condition of their corporate transaction. (See Exhibit 2, pp. 6-8, column entitled “Infrastructure Commitments”), which

demonstrates this infrastructure upgrade commitment is common and already imposed on these major providers in the State by the Commission. Further, CETF suggested specific projects after CETF facilitated discussions between certain of the Regional Broadband Consortia and Metropolitan Planning Organizations with representatives of Joint Applicants in order to provide specific infrastructure projects that could be agreed to by Joint Applicants. See Exhibit 3-A for the summary of the consultations and particular projects discussed in these consultations. In Exhibit 3-B, see a spreadsheet of priority projects suggested to Joint Applicants as a result of these consultations (after review by the RBCs and MPOs) and a list of Frontier CASF or FFA projects that were abandoned or rescinded that the RBC or MPOs think are still a priority. These infrastructure investments total just over \$246,000,000. (See Exhibit 3-B, at p. 3).

Digital Inclusion Investment of \$105 million: At page 18 of her testimony, Witness McPeak recommended that Joint Applicants be required to invest \$105 million in Digital Inclusion programs as a condition of the transaction approval by the Commission. Witness McPeak provides her calculation for this amount in her testimony at pages 19-21. In addition, Exhibits 4, 5, 6 and 7 support her testimony. As to whether this condition is a requirement for any other telephone corporation or any communications or cable company in California, Witness McPeak provided Exhibit 2, a chart of past MOUs approved by this Commission in the decisions cited, showing in the columns entitled “Community Connectivity,” “Digital Equity/Digital Literacy Training,” “Device Donations,” and “Emergency Response” that Charter, Frontier and T-Mobile have had similar conditions imposed on them by the Commission after executing MOUs with CETF.

Tribal Recommendation: At page 24 of her opening testimony, Witness McPeak recommended that Verizon enter into a partnership with the Santa Ynez Band of Chumash Indians to accelerate broadband deployment in the Santa Ynez Valley with a majority ownership of facilities by the Chumash Tribe. As to whether any other telecom company has such a commitment, see Exhibit 2 at page 6 that in D.21-04-008, Frontier had an obligation under that decision to provide \$5 million to the Yurok Tribe on a middle mile project and provide \$400,000 in cost reimbursement and other related obligations.

Lifeline Recommendation: At page 24 of her opening testimony, Witness McPeak made a recommendation that Frontier be required to continue to participate in the Lifeline program for at least six years and that the existing Verizon Forward affordable rate program stay in place for at least six years after the close of the transaction. At Exhibit 2, pages 6-8, CETF provided decision numbers for Commission decisions ordering similar Lifeline and low income affordable plans by Charter, Frontier and T-Mobile in the Columns entitled “Lifeline Offerings” and “Low Income Broadband Plans.”

b. If CETF contends that the condition is a requirement for any other telephone

corporation, communications company or cable company in California, please identify the entity and the Commission decision or other authority allegedly enacting the requirement.

CETF Response: Please see response to Data Request 3 where the entity and Commission decision is cited and appears either in Witness McPeak’s testimony as referenced or in Exhibit 2, pages 6-8 in the chart.

c. **Any Commission decision adopting a similar condition in connection with a transfer of control application under Public Utilities Code Section 854.**

CETF Response: See Response to 3.a. and our citations to Witness McPeak’s Exhibit 2, pages 6-8.

d. **Any other regulated or unregulated provider of telecommunications services, including voice, data, or video services that CETF contends abides by the condition currently.**

CETF Response: CETF’s Witness has no knowledge as to this question beyond the providers she discussed in her answer to Data Request 3.a. above and Witness McPeak’s Exhibit 2, pages 6-8 This chart provides the Commission for the basis of determining what is “appropriate, fair and comparable” for public benefits in this consolidation as Witness McPeak discusses in her testimony at page 3.

e. **Any cost study or estimate prepared by CETF reflecting the cost associated to implement the condition.**

CETF Response: Please see response to Data Request 3.a. above where CETF’s support for the costs is provided.

f. **The aggregate estimated cost for Frontier to comply with all of the proposed conditions.**

This data is contained in Witness McPeak’s testimony:

Infrastructure Commitment	\$246,285,463	Exh. 3-B at page 3.
Digital Inclusion Commitment	\$105,000,000	Testimony pp. 19-21, Exh. 5-7
Tribal Project with Chumash	Unknown cost	
Lifeline and Low-Income Offers	Unknown cost	
Total: \$351,285,463 minimum		

- g. **Provide a comparison of the aggregate estimated cost for Frontier to comply with these conditions to the amount CETF estimates and testifies should be allocated to ratepayers in accordance with Section 854(b)(2).**

Please provide separate responses for each witness's testimony.

CETF Response: Witness McPeak: The minimum total amount of \$351,285,463 million recommended by CETF is affordable by Verizon's shareholders. She does not think that any of this cost should be allocated to customers, but to shareholders. Verizon had more than \$134 billion in revenues, gross profits of more than \$79 billion, net revenues of almost \$10 billion and a market cap of \$185 billion. See Witness McPeak Testimony at page 13 as supported by documents referenced in footnotes 9, 10, 11.

DATA REQUEST NO. 4:

Please provide any documents reflecting specific input that CETF has received from its members regarding the Transaction.

CETF Response:

Board Input: CETF has a Board of Directors which voted to approve CETF's entering the Verizon- Frontier proceeding as an Intervenor and its general positions and recommendations in the proceeding. The Board members may be viewed on CETF's website:

<https://www.cetfund.org/about-us/governance-and-leadership/board-of-directors/>

CETF's communications with its board are confidential.

Regional Broadband Consortia (RBC) and Metropolitan Planning Organization (MPO) Input: CETF has requested that certain Regional Broadband Consortia and Metropolitan Planning Organizations (Southern California Association of Governments, San Diego Association of Governments, LA DEAL, UNITE LA) that cover Frontier's service area consult with the Joint Applicants about potential priority infrastructure projects for commitments. As Witness McPeak discussed in her testimony, these consultations took place between February 2025 and March 2025. See the schedule provided at Exhibit 3-A, page 1 of the RBCs and MPOs that met with representatives of Verizon and Frontier. Detailed notes of these consultations were prepared by CETF, approved and edited by the RBC and MPO that participated, then presented to the Joint Applicants and filed with Witness McPeak's testimony. See Exhibit 3-A which are the referenced consultation notes; see also Exhibit 3-B which summarizes the infrastructure Priority Projects as well as lists some withdrawn or rescinded Frontier CASF / FFA projects that an RBC or MPO wishes to see restarted and completed as a priority project. Please also see letters of support by RBCs and MPOs for CETF's recommendations for public benefits and these are attached to Witness McPeak's testimony as Exhibit 7.

DATA REQUEST NO. 5:

Please provide all facts, documents, and authorities supporting your conclusion at page 6 of CETF’s Testimony that state and federal infrastructure grant programs will not meet their goal of bringing affordable service to households in the Frontier service area?

CETF Response:

In this PPIC March 2023, Achieving Universal Broadband in California report, 2 million California households lack broadband infrastructure in 2020.

<https://www.ppic.org/publication/achieving-universal-broadband-in-california/>

DATA REQUEST NO. 6:

CETF cites as precedent the Commission’s 2015 decision (D.15-12-005) granting the joint application of Frontier and Verizon for approval of the sale and transfer of Verizon California, Inc. to Frontier Communications Corporation, and approving related settlement agreements. In connection with the CETF Memorandum of Understanding (“MOU”) in that underlying proceeding, you state that Frontier agreed to the “marketing of a Low Income and FCC Lifeline broadband program, with a 3-year goal to enroll 200,000 households . . . and funding of purchase of 50,000 WiFi capable, Internet ready tablets, for low income households.” *CETF Testimony* at 10. Do you contend that the Commission should propose this same condition in the current proceeding? If your answer is anything other than an unequivocal “yes,” please specify all proposed requirements of CETF’s current low-income broadband condition and provide all facts, documents, and authorities supporting your proposed revisions to the low- income broadband commitments in the prior MOU.

CETF Response: Witness McPeak was specific about her requested Digital Inclusion recommendation to the Commission at pages 18-19 of her Opening Testimony where she recommended to the Commission a \$105 million investment in Digital Inclusion programs. At the bottom of page 18, Witness McPeak lists specific elements of a recommended California Digital Inclusion Program:

- Direct Notification to Drive Enrollment in Affordable Internet Service;
- Call Center to Enroll Households by Community-Based Organizations (CBOs) In-Language and In-Culture;
- Recruitment and Training of Digital Navigators;
- Outreach In-Language and In-Culture by CBO Trusted Messengers;

- Digital Literacy Training by CBO Digital Navigators (Synchronous) with Proficiency Assessment;
- Online Digital Literacy Resources (Asynchronous) with Proficiency Assessment;
- Affordable Computing Devices;
- In-Person Enrollment Events;
- Public Awareness Advertising;
- Tech Support;
- Grant Management; and
- Evaluation.

Witness McPeak provided numerous documents supporting this proposed Digital Inclusion Program which are already included in her testimony:

Exhibits 4 – 2023 Statewide Digital Equity Survey (showing that 13% (355,342 HHs) are unconnected to the Internet and 5.8% (158,537 HHs) are underconnected (smartphone only). These “digitally disadvantaged” households total 513,879 HHs. At pages 19-20 of Witness McPeak’s testimony, she takes a modest 20% of this total (100,000 HHs) for which she states Verizon should fund digital inclusion efforts. The cost of this is \$105 million. Witness McPeak recommends that Verizon fund this amount over 5 years in a structured payment schedule to front-load cash flow for all the CBO partners supported by CETF. She also recommends Verizon support the CETF School2Home program at footnote 13 of her testimony. While Verizon has a worthy educational program, it is not as successful of an educational transformation program as School2Home. For example, Verizon’s program does not measure academic achievement as a result of its technology program.

Exhibit 5 – Digital Equity Ecosystem. Witness McPeak provides a detailed discussion of the CETF Digital Equity Ecosystem which addresses the three barriers to adoption: cost, relevance and digital literacy. It covers the 12 essential components, including an overview of the digital literacy framework.

Exhibit 6: Letters to CEOs of the major Internet Service Providers requesting affordable offers after the Affordable Connectivity Program ended.

Exhibit 7: Letters of Support from CETF stakeholders, including RBCs, MPOs, and other broadband advocates.

The above are all the documents she relied on.

CETF welcomes settlement discussion with the Joint Applicants about voluntary digital inclusion commitments that are modeled after other commitments made by other

communications providers in the state before in similar corporate transactions. These may include commitments to market Lifeline and affordable low income broadband offers for a certain period of time, a dedicated investment amount into this effort including marketing in minority communities (in-culture and in-language), and donation of devices to ensure that low-income households have affordable computing devices if they undergo digital literacy training. The type of commitment could be modeled on the past Memorandum of Understandings (MOUs) that CETF has entered into in the past which are listed in Exhibit 2, at pages 6-8.

DATA REQUEST NO. 7:

On page 24 of your Testimony, you refer to a “Home Internet Lifeline program” that is “a part of the Lifeline program and available to eligible low-income households with eligibility linked to existing public assistance programs.” Please explain how this proposed program would differ from the federal Lifeline program.

CETF Response: At page 24 of Witness McPeak’s opening testimony, she refers to a recommended “Home Internet Lifeline Program” (“Program”) as a condition of approval. This is not an existing Lifeline program. Witness McPeak first refers Joint Applicants to California Senate Bill 716 (Author Durazo) which is pending in the Senate now. The bill may be located at this weblink: <https://legiscan.com/CA/text/SB716/id/3191161>

The current California LifeLine Program was established for provision of affordable telephone (voice) service to low-income households at a discounted rate which is paid for through a surcharge collected by the CPUC from intrastate consumers and provided to the Lifeline provider. LifeLine customers must qualify either through their income level or by participation in various public assistance programs.

As amended, SB 716 would require the California Public Utilities Commission (“Commission”) to establish a mechanism to include a new Home Internet Lifeline Program which would provide a standalone broadband Internet access service as a class of LifeLine service. This Program would provide an eligible low-income household broadband service at speeds of 100 Mbps. download and 20 Mbps. upload to the California LifeLine program for a rate not to exceed \$30/month. The Commission may adjust the speed and monthly plan costs for certain parts of the state, if it desires. The Commission is prohibited from (1) requiring a LifeLine subscriber to bundle their voice and Internet service plan in order to get a LifeLine subsidy; and (2) requiring an Internet Service Provider to obtain an eligible telecommunications carrier (ETC) designation in order to obtain the Lifeline subsidy. The bill also requires the Commission to prohibit an Internet service provider that sell the Program from upselling their Internet service plans.

Further, the CPUC’s Communications Division representative referenced at a California Broadband Council Meeting on October 22, 2024, the possibility of a Home Internet LifeLine Pilot Program, which would include a standalone broadband service. On April 16, 2025, such a Home Internet LifeLine Pilot was put out for comment by the Commission. See the Attachment

1 hereto, consisting of an “ASSIGNED COMMISSIONER’S RULING REQUESTING COMMENTS ON STRATEGIES TO ADDRESS THE HOME BROADBAND ADOPTION GAP,” dated April 16, 2025, issued in CPUC Rulemaking No. 20-02-008 by Assigned Commissioner President Alice Reynolds, with an Attachment A, CPUC “Home Broadband Adoption Report” (dated April 16, 2025) (“Home Broadband Report”). In the Home Broadband Report, at pages 33-34, it requests comment on various aspects of a standalone Home Internet Lifeline Pilot Program. Witness McPeak refers to this staff proposal as providing more details of what such a Pilot Program may look like from the Commission’s point of view.

AE-R-5

**[PUBLIC; partially redacted due
to confidentiality]**

A.24-10-006 (Frontier and Verizon Joint Application for Transfer of Control)

**Response of Frontier Communications Parent, Inc., 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 Data Request 7 Issued by The Utility Reform Network**

May 14, 2025

Frontier Communications Parent, Inc. (“Frontier Parent”), Frontier California Inc. (“Frontier California”) (U 1002 C), Citizens Telecommunications Company of California (“CTC California”) (U 1024 C), Frontier Communications of the Southwest Inc. (“Frontier Southwest”) (U 1026 C), Frontier Communications Online and Long Distance Inc. (“Frontier LD”) (U 7167 C), and Frontier Communications of America, Inc. (“Frontier America”) (U 5429 C) (collectively, “Frontier”) hereby provides its response to “Data Request 07,” issued by The Utility Reform Network (“TURN”) on May 9, 2025 in connection with the California Public Utilities Commission’s (“Commission”) proceeding A.24-10-006, the Joint Application of Frontier and Verizon Communications Inc. (“Verizon”) to request that the Commission authorize the indirect transfer of control of Frontier’s wholly owned subsidiaries to Verizon (“Application”). For ease of reference, Frontier will refer to this set of data requests as “DR 7.” DR 7 includes two principal questions. TURN requested a response date of May 13, 2025. Frontier is hereby providing its response to DR 7.

GENERAL OBJECTIONS

Frontier objects to DR 7 on the ground that the requested one-business day response deadline is unreasonable given the granular and extensive information sought in this data request, the standard ten-business day timeframe for responses to data requests, Frontier’s upcoming May 15th rebuttal testimony deadline, and other business priorities and competing deadlines. Frontier also objects to the questions in DR 7 to the extent that they call for information that is irrelevant, beyond the scope of this proceeding, or related to matters that exceed the Commission’s jurisdiction. Frontier also objects to these questions to the extent that they call for information that is not in Frontier’s possession, custody, or control and to the extent that they seek to impose a duty on Frontier to locate, compile, or create additional information that does not currently exist or retrospectively generate information that was not retained in the ordinary course of business. Frontier further objects to these questions insofar as they present unreasonable or unduly burdensome compliance requirements and to the extent that they are oppressive, vague, and ambiguous, and/or exceed the bounds of reasonable discovery. Frontier expressly reserves the right to object to the relevance of documents produced or responses given in connection with this response. Frontier objects to these questions to the extent that they seek information covered by the attorney-client privilege, common interest privilege, attorney work product protection, and/or other applicable privileges or protections. Frontier objects to DR 7 as unduly burdensome, duplicative, and cumulative to the extent that it seeks information is being simultaneously sought from Verizon Communications, Inc. (“Verizon”).

In addition, Frontier objects to DR 7 to the extent that the questions, in conjunction with the definitions and instructions contained therein, mischaracterize the nature of the transfer of

control at the corporate parent level as described in the Application. Because this Transaction is occurring at the holding company level and involves a transfer of control of an entire entity to new ownership, no assets are being separated from the entity. Therefore, there is no transfer, disposition, sale, or divestiture of any assets or property contemplated by the Transaction. No assets or property of Frontier or any of its operating subsidiaries, including the California Operating Subsidiaries, are being disposed of, sold, or divested, and each entity's assets and property will be unaffected by the Transaction; the California Operating Subsidiaries will remain the owners of these assets. Accordingly, the Application does not seek Commission approval under Public Utilities Code Section 851 and that provision does not apply to this Transaction, as the Commission determined in the Assigned Commissioner Scoping Memo and Ruling Requesting Additional Information and Ruling on Oral Motion ("Scoping Ruling"). *Scoping Ruling* at 4-5. Rather, this is a transfer-of-control Application subject to Public Utilities Code Section 854. *Id.* at 5.

Frontier objects to the instructions in DR 7 that purport to impose any obligations greater than those provided by the applicable rules and decisions of the Commission, the California Code of Civil Procedure or California Evidence Code, and any other statutes, orders, rules, or laws governing the proper scope and extent of discovery in California and the restrictions on discovery applicable in this proceeding. In particular, Frontier objects to the instruction that Frontier interpret the term "documents" "broadly to include any and all hard copy or electronic documents or records in Frontier Communications Parent, Inc.'s possession, or, if relevant, the possession of any corporate affiliate" as overbroad and improper. The Commission's jurisdiction and discovery powers do not extend to Frontier's affiliates in other states or its affiliates that provide strictly non-regulated services. Likewise, the Commission has limited jurisdiction over parent companies, and no nexus has been established here between any issues in the scope of this proceeding and Frontier's intermediate or ultimate parent companies. In addition, the definition is overbroad and improper to the extent it encompasses information protected by the attorney-client privilege, common interest privilege, attorney work product protection, and/or other applicable privileges or protections. Frontier also objects to the instruction that each question "is continuing in nature" because continuing discovery obligations are not permitted under California law. *Biles v. Exxon Mobil Corp.*, 124 Cal.App.4th 1315, 1328 (2004); Code Civ. Proc. § 2030.060(g). In addition, Frontier objects to the instruction that Frontier "provide the name of each person who materially contributed to preparing the response" and/or "to identify the witness who would be prepared to respond to cross-examination questions regarding the response." Frontier is the entity named as an Applicant in this proceeding, and the responses are offered on behalf of Frontier, not on behalf of any of its employees, attorneys, consultants, or representatives, who are not public utilities and not parties to this proceeding. Frontier further objects to the instruction that "[f]or any questions requesting numerical recorded data, please provide all responses in working Excel spreadsheet format, with cells and formulae functioning" to the extent it requests Frontier to produce information in a different format than it is compiled or tracked in the ordinary course of business.

Frontier further objects to the questions in DR 7 insofar as they seek information about subjects that are beyond the Commission's statutory and constitutional authority over the intrastate, regulated activities of California public utilities. *See* Pub. Util. Code §§ 234(a) (limiting authority over "telephone corporations" to companies that own, control, operate, or manage a "telephone line" "within this state"), 216 (defining public utility with reference to "telephone corporations"); Cal. Const., art. XII, §§ 3 (defining public utilities that are "subject to

control by the Legislature”), 6 (the CPUC “may fix rates . . . for all public utilities subject to its jurisdiction.”) (emphasis added); *see also City & County of San Francisco v. W. Air Lines, Inc.*, 204 Cal.App.2d 105, 131 (1962) (“Unless the enterprise or activity in question is a public utility as defined in the Constitution or Public Utilities Code, it is not subject to the jurisdiction of such commission.”) (citing *Television Transmission v. Public Util. Comm’n.*, 47 Cal.2d 82, 84 (1956)). For similar reasons, Frontier objects to DR 7 to the extent that it intrudes upon broadband operations that the Federal Communications Commission (“FCC”) has designated as expressly interstate, and which are subject to preemption directives and/or conflict preemption principles under federal law. The Sixth Circuit Court of Appeal recently overturned the FCC’s designation of broadband service as a “telecommunications service” in 2023. *FCC v. FCC (In re MCP)*, 2025 U.S. App. LEXIS 11 (6th Cir. 2025); *In re MCP No. 185*, 2024 U.S.App.LEXIS 19815 (Aug. 1, 2024) (stay imposed in “per curiam” opinion); *see also In the Matter of Safeguarding and Securing the Open Internet Restoring Internet Freedom*, WC Docket 23-320, *Report and Order, et al.*, FCC 24-52 (rel. May 7, 2024) at ¶¶ 29, 106, 265, 268, 383. (“Title II Order”). Based on the judicial stay and recently issued opinion, the FCC’s *Title II Order* is not operative, and the law has reverted to the previous “Title I” framework for broadband regulation. *See In the Matter of Restoring Internet Freedom*, WC Docket No. 17-108, *Declaratory Ruling, Report and Order, and Order*, FCC 17-166 (rel. Jan. 4, 2018) (“*Restoring Internet Freedom Order*”), ¶¶ 1, 20, 100 (adopting classification of broadband as an “information service” under “Title I” of the Telecommunications Act, and confirming that that ISPs must be free of “utility style regulation.”), *vacated in part on other grounds by Mozilla Corp. v. Fed. Comm’n’s Comm’n.*, 940 F.3d 1, 35 (D.C. Cir. 2019) (upholding the FCC’s classification of broadband Internet access as an “information service”).

Broadband service remains subject to interstate authority, and the Commission’s attempts to regulate broadband service would be preempted. *Restoring Internet Freedom Order*, FCC 17-166 at ¶ 199, 2018 FCC LEXIS 44 (“it is well-settled that Internet access is a jurisdictionally interstate service because ‘a substantial portion of Internet traffic involves accessing interstate or foreign websites.’”) (citing *Bell Atl. Tel. Cos. v. FCC*, 206 F.3d 1, 5 (D.C. Cir. 2000), *vacated on other grounds by Mozilla v. FCC*, 940 F.3d 1 (D.C. Cir. 2019)). Because broadband service is a “Title I” service, the Commission’s attempts to regulate broadband operations would impermissibly conflict with the FCC’s determinations that broadband should be free of “public utility-type” regulations. *Geier v. American Honda Motor Co.*, 529 U.S. 861, 873 (2000) (citing *Hines v. Davidowitz*, 312 U.S. 52, 67 (1941) (“a “state law” will be preempted if it “stands as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress.”); *see Mozilla, supra*, 940 F.3d at 81-82, 86 (preserving conflict preemption as a possibility if there are future “particular state law[s]” that “conflict with the 2018 Order.”). As a matter of state and federal law, it is improper for the Commission or TURN to impose discovery obligations on broadband operations that the Commission does not regulate.

Frontier also notes that some information provided in response to DR 7 is confidential. This information has been specifically marked as confidential and/or “Lawyers’ Only” and is provided subject to the protections of the nondisclosure agreement between Frontier and TURN, which was fully executed on February 24, 2025 (the “NDA”). The specific legal authorities supporting confidential treatment of these documents are provided herein, and the factual support for holding these documents as confidential are presented in the Declaration of Jenny M. Smith, Frontier’s Director—Government and Regulatory Affairs, which accompanies

this response. The documents are also marked with particularity to identify only their confidential portions, in accordance with G.O. 66-D and the NDA.

Subject to and without waiving these general objections, and with these clarifications and limitations noted, Frontier responds as follows.

RESPONSES

- 7.1. Please provide documents and analysis that show the most current identification and quantification of unserved locations in Frontier service areas in California, by Frontier California ILEC, using California BEAD program requirements. Here, “unserved locations” is defined as the NTIA definition in the BEAD Notice of Funding Opportunity, and “unserved” location is defined as “without any broadband service at all or with broadband service offering speeds below 25 megabits per second downstream/3 Mbps upstream.”**
- a. Provide the number of unserved locations by wire center by ILEC in a working Excel spreadsheet file format.**
 - b. Provide maps showing unserved locations by ILEC with wire center boundaries included.**

Specific Objections: Frontier objects to this question as unreasonable and overly burdensome given the extremely expedited one-business day response deadline. Subject to and without waiving these objections, Frontier responds as follows.

Response: Please see the attached files labeled “Frontier Response to TURN DR 7.1(a) (Unserved_WC) (FTR011037) [CONFIDENTIAL]” and “Frontier Response to TURN DR 7.1(b) (Unserved Maps) (FTR011038-FTR011100) [CONFIDENTIAL].”

These attachments are confidential under the NDA, Public Utilities Code Section 583 and G.O. 66D. These attachments contain competitively sensitive and granular information regarding Frontier’s unserved and underserved locations by California ILEC and wire center, which qualifies as a trade secret because it is a “compilation” and “pattern” that derives economic value from not being generally known to the public or to competitors, and Frontier implements reasonable measures to maintain this information as confidential. *See* Civ. Code § 3426.1(d); Cal. Evid. Code § 1060; Gov. Code § 7927.705 (incorporating restrictions on disclosure imposed by state or federal law). Frontier invested significant regulatory and personnel time and resources to compile this information. If publicly disclosed, Frontier’s competitors could leverage this information to make strategic deployment, investment, operational, and business decisions to the detriment of Frontier and the public. If made public, these trade secrets would be compromised, and their use could facilitate unfair competition and harm to the competitive market for telecommunications and broadband services.

For similar reasons, the information responsive to this request would also be subject to protection under the CPRA balancing test, which protects information where “on the facts of the particular case the public interest served by not disclosing the record clearly outweighs the public interest served by disclosure of the record.” Pub. Util. Code § 7922.000; *International Federation of Professional and Technical Engineers, Local 21, AFL-CIO v. Superior Court*, 42 Cal.4th 319, 329 (2007). The Section 7922.000(a) “public interest” balancing test is appropriately employed to protect competitive information of a regulated entity from disclosure because a strong public

interest exists in encouraging vigorous competition for the benefit of consumers. *See Morlife, Inc. v. Perry*, 56 Cal.App.4th 1514, 1520 (1997) (“Yet also fundamental to the preservation of our free market economic system is the concomitant right to have the ingenuity and industry one invests in the success of the business or occupation protected from the gratuitous use of that “sweat-of-the-brow” by others.”); *see also Knevelbaard Dairies v. Kraft Foods, Inc.*, 232 F.3d 979, 988 (9th Cir. 2000) (recognizing the preservation of competition as “vital to the public interest.”). Forced public disclosure of this information through the regulatory process would undermine the functioning of competitive markets, undermine the incentives to innovate and invest in advances in services that better meet customers’ needs, and harm consumers by producing market outcomes that are the product of unfair competition. There is no countervailing public benefit from disclosure that could satisfy the balancing test. The balance of equities strongly supports maintaining this information as confidential.

- 7.2 Please provide documents and analysis that show the most current identification and quantification of underserved locations in Frontier service areas in California, by Frontier California ILEC, using California BEAD program requirements. Here, “underserved locations” is defined as the NTIA definition in the BEAD Notice of Funding Opportunity, and “underserved” location is defined as “without broadband service offering speeds of 100 megabits per second downstream/20 Mbps upstream.”**
- a. Provide the number of underserved locations by wire center by ILEC in a working Excel spreadsheet file format.**
 - b. Provide maps showing underserved locations by ILEC with wire center boundaries included.**

Specific Objections: Frontier objects to this question as unreasonable and overly burdensome given the extremely expedited one-business day response deadline. Subject to and without waiving these objections, Frontier responds as follows.

Response: Please see the attached files labeled “Frontier Response to TURN DR 7.2(a) (Underserved_WC) (FTR011101) [CONFIDENTIAL]” and “Frontier Response to TURN DR 7.2(b) (Underserved Maps) (FTR011102- FTR011164) [CONFIDENTIAL].”

These attachments are confidential under the NDA, Public Utilities Code Section 583 and G.O. 66D. These attachments contain competitively sensitive and granular information regarding Frontier’s unserved and underserved locations by California ILEC and wire center, which qualifies as a trade secret because it is a “compilation” and “pattern” that derives economic value from not being generally known to the public or to competitors, and Frontier implements reasonable measures to maintain this information as confidential. *See* Civ. Code § 3426.1(d); Cal. Evid. Code § 1060; Gov. Code § 7927.705 (incorporating restrictions on disclosure imposed by state or federal law). Frontier invested significant regulatory and personnel time and resources to compile this information. If publicly disclosed, Frontier’s competitors could leverage this information to make strategic deployment, investment, operational, and business decisions to the detriment of Frontier and the public. If made public, these trade secrets would be compromised, and their use could facilitate unfair competition and harm to the competitive market for telecommunications and broadband services.

For similar reasons, the information responsive to this request would also be subject to protection under the CPRA balancing test, which protects information where “on the facts of the particular case the public interest served by not disclosing the record clearly outweighs the public interest served by disclosure of the record.” Pub. Util. Code § 7922.000; *International Federation of Professional and Technical Engineers, Local 21, AFL-CIO v. Superior Court*, 42 Cal.4th 319, 329 (2007). The Section 7922.000(a) “public interest” balancing test is appropriately employed to protect competitive information of a regulated entity from disclosure because a strong public interest exists in encouraging vigorous competition for the benefit of consumers. *See Morlife, Inc. v. Perry*, 56 Cal.App.4th 1514, 1520 (1997) (“Yet also fundamental to the preservation of our free market economic system is the concomitant right to have the ingenuity and industry one invests in the success of the business or occupation protected from the gratuitous use of that "sweat-of-the-brow" by others.”); *see also Knevelbaard Dairies v. Kraft Foods, Inc.*, 232 F.3d 979, 988 (9th Cir. 2000) (recognizing the preservation of competition as “vital to the public interest.”). Forced public disclosure of this information through the regulatory process would undermine the functioning of competitive markets, undermine the incentives to innovate and invest in advances in services that better meet customers’ needs, and harm consumers by producing market outcomes that are the product of unfair competition. There is no countervailing public benefit from disclosure that could satisfy the balancing test. The balance of equities strongly supports maintaining this information as confidential.