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

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4 Application of Frontier Communications
5 Corporation, Frontier California Inc. (U 1002
6 C), Citizens Telecommunications Company of
7 California Inc. (U 1024 C), Frontier
8 Communications of the Southwest Inc. (U 1026
9 C), Frontier Communications Online and Long
10 Distance Inc. (U 7167 C), Frontier
11 Communications of America, Inc. (U 5429 C)
12 For Determination That Corporate Restructuring
13 Is Exempt From or Compliant With Public
14 Utilities Code Section 854.

A. 20-05-010
(Filed May 22, 2020)

MOTION OF

**FRONTIER COMMUNICATIONS CORPORATION
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)
FOR LEAVE TO FILE CONFIDENTIAL PORTIONS OF APPLICATION (EXHIBIT G)
UNDER SEAL**

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America, Inc.

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27 May 22, 2020
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1 **I. INTRODUCTION.**

2 Pursuant to Rule 11.4 of the Rules of Practice and Procedure of the California Public
3 Utilities Commission (“Commission”), Frontier Communications Corporation and its California
4 local exchange and long distance subsidiaries, Frontier California Inc. (U 1002 C) (“Frontier-
5 California”), Citizens Telecommunications Company of California Inc. (U 1024 C) (“CTC-
6 California”), Frontier Communications of the Southwest Inc. (U 1026 C) (“Frontier-Southwest”),
7 Frontier Communications Online and Long Distance Inc. (U 7167 C) (“Frontier-LD”), and
8 Frontier Communications of America, Inc. (U 5429 C) (“Frontier-America”) (collectively
9 “Frontier”) hereby move for leave to file the confidential portions of their May 22, 2020
10 Application under seal. The Application seeks a determination under Public Utilities Code
11 Section 853(b) that Frontier’s corporate restructuring merits an exemption from the transfer of
12 control requirements in Public Utilities Code Section 854, or, in the alternative, a determination
13 that the restructuring satisfies Section 854. The Application necessitates the submission of certain
14 financial documents from the applicant companies, the contents of which include confidential
15 figures that Frontier hereby moves to seal in accordance with the protections of Public Utilities
16 Code Section 583 and the confidentiality protocols in General Order (“G.O.”) 66-D.¹

17 The materials comprising Exhibit G of the Application include confidential financial
18 information relating to Frontier’s local exchange and long distance operating subsidiaries, which is
19 not released as part of Frontier’s public financial reports. Frontier holds these more granular
20 operating company-level financials as confidential so that they will not be exposed to competitors
21 or be used to facilitate unfair competition. These financials are subject to protection as trade
22 secrets and under the California Public Records Act (“CPRA”) “balancing test” set forth in
23 Government Code Section 6255(a). To ensure that these confidential materials remain protected

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25 ¹ Frontier is aware of the Commission’s adjustments to the protocols for submitting hard copies during the
26 ongoing pandemic. *See* “COVID-19 Temporary Filing And Service Protocol for Formal Proceedings” at
27 <https://www.cpuc.ca.gov/COVID19practitioneralert/> However, based on direction from the docket office,
28 Frontier is tendering the information in hard copy contemporaneously with this application, in an
anticipation of its acceptance when the docket office is able to process hard copies upon lifting of the
COVID-19 protocols.

1 from current and potential competitors, they should be held under seal in the Commission’s files.

2 The competitively sensitive information at issue would, if not kept confidential, reveal
3 trade secrets and provide a basis for unfair competition by Frontier’s competitors. These materials
4 qualify as trade secrets protection, which is incorporated into the CPRA. *See* Gov’t Code §
5 6254(k); Civ. Code § 3426.1(d); Evid. Code § 1060. The balance sheets and income statements in
6 the Application meet the definition of trade secrets because they are “compilations” that: (1)
7 derive economic value from not being known to the public or to Frontier’s competitors; and (2)
8 are subject to efforts to maintain their confidentiality by Frontier. *See* Cal. Civ. Code § 3426.1(d);
9 *Fireman’s Fund Ins. Co. v. Superior Court*, 233 Cal.App.3d 1138, 1141 (1991) (“highly sensitive
10 commercial information” should be protected as trade secret); *Lipton v. Superior Court*, 48
11 Cal.App.4th 1599, fn. 20 (1996) (trade secrets include “confidential business information”).

12 The information contained in the Application is further protected from public disclosure
13 under the California Public Records Act “balancing test” outlined in Government Code Section
14 6255(a). Where “on the facts of the particular case the public interest served by not disclosing the
15 record clearly outweighs the public interest served by the disclosure of the record,” the balancing
16 test protects records from disclosure. *International Federation of Professional and Technical*
17 *Engineers, Local 21, AFLCIO v. Superior Court*, 42 Cal. 4th 319, 329 (2007). This balancing test
18 is appropriately employed to protect the competitive information of a regulated entity from
19 disclosure because a strong public interest exists in encouraging vigorous competition for the
20 benefit of consumers. *See Morlife, Inc. v. Perry*, 56 Cal. App. 4th 1514, 1520 (1997) (“Yet also
21 fundamental to the preservation of our free market economic system is the concomitant right to
22 have the ingenuity and industry one invests in the success of the business or occupation protected
23 from the gratuitous use of that “sweat-of-the-brow” by others.”); *Speegle v. Board of Fire*
24 *Underwriters of the Pacific*, 29 Cal. 2d 34, 44 (1946) (“The public interest requires free
25 competition so that prices be not dependent upon an understanding among suppliers of any given
26 commodity, but upon the interplay of the economic forces of supply and demand.”); *San Diego*
27 *Water Co. v. San Diego Flume Co.*, 108 Cal. 549, 559 (1895) (“[C]ompetition is therefore
28 regarded as favorable to the public interest.”). The disclosure of profit and revenue information


1 pertaining to Frontier's local exchange and long distance subsidiaries could distort competition in
2 the overall telecommunications market, to the detriment of customers. Moreover, any public
3 benefit associated with the disclosure of this type of information is outweighed by the extensive
4 harm caused to both Frontier and the general public. See Cal. Gov. Code § 6255. Disgorgement
5 of this information would undermine the functioning of a competitive market and harm consumers
6 by producing market outcomes that are the product of unfair competition.

7 For each of the above reasons, Exhibit G is marked as confidential and appropriate to be
8 held under seal.

9 Respectfully submitted this 22nd day of May, 2020.

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24 Distance Inc., and Frontier Communications of
25 America, Inc.

**BEFORE THE PUBLIC UTILITIES COMMISSION
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Application of Frontier Communications Corporation, 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), Frontier Communications of America, Inc. (U 5429 C) For Determination That Corporate Restructuring Is Exempt From or Compliant With Public Utilities Code Section 854.

A. 20-05-010
(Filed May 22, 2020)

[PROPOSED] ORDER

1. The Motion to file under seal confidential financial information relating to Frontier Communications Corporation’s California local exchange and long distance operating subsidiaries, Frontier California Inc. (U 1002 C) (“Frontier-California”), Citizens Telecommunications Company of California Inc. (U 1024 C) (“CTC-California”), Frontier Communications of the Southwest Inc. (U 1026 C) (“Frontier-Southwest”), Frontier Communications Online and Long Distance Inc. (U 7167 C) (“Frontier-LD”), and Frontier Communications of America, Inc. (U 5429 C) (“Frontier-America”), identified as Exhibit G to A.20-05-010, is GRANTED.

2. All pleadings and correspondence in this matter shall be made in a manner that protects the confidential financial information from unauthorized disclosure.

3. The Protective Order is adopted effective as of _____, 2020.

SO ORDERED.

Administrative Law Judge