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

In the Matter of the Joint Application of Frontier )  
Communications Corporation, Frontier )  
Communications of America, Inc. (U5429C), )  
Verizon California, Inc. (U1002C), Verizon )     Application 15-03-005  
Long Distance LLC (U5732C), and Newco )     (Filed March 8, 2015)  
West Holdings LLC for Approval of Transfer of )  
Control Over Verizon California, Inc. and )  
Related Approval of Transfer of Assets and )  
Certifications )  
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**Frontier Communications Corporation's**

**Response to CETF Petition to Modify D. 15-12-005**

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June 28, 2018

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**Frontier Communications Corporation’s  
Response to CETF Petition to Modify D. 15-12-005**

Frontier Communications Corporation (“Frontier”), pursuant to Rule 16.4(f) of the Commission’s Rules of Practice and Procedure, submits its response to the Petition to Modify Decision No. 15-12-005 (the "Decision") to Compel Frontier to Comply with the Memorandum of Understanding (“Petition”), filed by the California Emerging Technologies Fund (“CETF”) on May 29, 2018.

**I. Introduction**

CETF’s Petition lacks factual and legal merit and must be dismissed. It does not seek to *enforce* the terms of the Memorandum of Understanding and Agreement (“MOU”); rather, it impermissibly seeks to *rewrite* the MOU to impose new, material obligations upon Frontier.<sup>1</sup> In addition, the Petition is procedurally improper because it fails to comply with Rule 16.4.

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<sup>1</sup> The MOU is attached as “Frontier Response Exhibit A.”

CETF’s principal claim is that Frontier violated the MOU by “failing in its commitment to offer and broadly market an affordable broadband offer to low-income eligible households.”<sup>2</sup> This claim is both factually and legally incorrect. Frontier offered—and continues to offer—the exact low-income broadband service agreed upon in the MOU. Specifically, the MOU required Frontier to offer an interim low-income broadband service for \$13.99 per month with a download speed of up to 7 Megabytes per second (“Mbps”) to wireline voice customers who were or became qualified participants in the California Lifeline or the Federal Lifeline programs.<sup>3</sup> Under the MOU, Frontier’s obligation to offer this interim service ended in December 2016 when the FCC implemented its Lifeline broadband program.<sup>4</sup> However, Frontier has continued to make this offering available, and will do so until June 30, 2019. Frontier has also made the FCC Lifeline broadband program available to California consumers since 2016, thereby providing low-income consumers a second option for discounted broadband service from Frontier.<sup>5</sup>

CETF does not and cannot argue that Frontier failed to provide the service described in the MOU because such a contention is unsupportable based on the facts. Instead, CETF alleges that Frontier violated the MOU by refusing to change its terms as CETF demanded. Clearly, CETF believes that it should have negotiated a materially different MOU in 2015 because neither the interim low-income broadband offer Frontier agreed to offer in the MOU nor the

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<sup>2</sup> Petition at page 4.

<sup>3</sup> MOU at page 3, paragraph 4.

<sup>4</sup> MOU at page 7, paragraph 18 provides: “This offer will remain in effect until the FCC enacts a Broadband Lifeline Program and it becomes effective with sufficient time to transition ‘interim’ affordable broadband customers to the FCC Program without undue disruption or hardship to the existing customer.”

<sup>5</sup> As explained more fully on page 14, Frontier actually has three low-income offers available to California consumers.

FCC/California broadband Lifeline offer implemented in December 2016 has been enthusiastically adopted by low-income households. To that end, CETF is now asking the Commission to roll back the clock and rewrite the agreed upon offering and other terms reflected in the MOU. This point is evident throughout the Petition:

- CETF agreed to the Lifeline eligibility requirement in the MOU, but now argues this requirement should be eliminated because “[d]uring MOU negotiations, CETF had objected to [this] requirement” (emphasis added).<sup>6</sup>
- CETF agreed that Frontier will fund \$60 per low-income consumer adoption, but now argues this amount is too low and should have been \$250.<sup>7</sup>
- CETF agreed to a download speed of up to 7 Mbps, but now demands the download speed be increased to 25 Mbps.<sup>8</sup>
- CETF agreed that Frontier would offer the interim low-income broadband service for three years or until the FCC implemented its Lifeline broadband program, but now demands Frontier offer CETF’s alternative service until at least December 2020.<sup>9</sup>

The facts are clear. Frontier and CETF reached an agreement. That agreement was submitted to and approved by the Commission. And, at all times, Frontier has complied with it. CETF’s attempt to force a rewrite of the MOU almost three years later violates well-settled

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<sup>6</sup> Compare Petition at page 9 (explaining that the MOU contains a Lifeline eligibility requirement) with Petition at page 31 (demanding that the Lifeline eligibility requirement be eliminated).

<sup>7</sup> Petition at page 18 (Frontier agreed to provide \$60 per adoption, but during the MOU negotiations CETF believed \$250 per adoption was needed).

<sup>8</sup> Compare Petition at page 9 (explaining the MOU requires up to 7 Mbps downstream) with Petition at page 31 (demanding an “upgrade” of download speed to 25 Mbps in FiOS areas and 12 Mbps in areas with DSL).

<sup>9</sup> Compare Petition at page 10 (explaining the time requirements in the MOU) with Petition at page 32 (demanding the date be extended to December 2020).



California law on the interpretation and enforcement of contracts. Moreover, it is bad public policy—no party would ever enter into a settlement in any proceeding if the settlement could be modified without one party’s consent years later.

Further, CETF misstates the MOU in several material respects. For example, CETF claims that Frontier failed to deploy Wi-Fi to 50 public locations even though the MOU does not require Frontier to deploy Wi-Fi to all locations by any specific time. Instead, the MOU requires Frontier to deploy Wi-Fi to ten locations by January 2017, which Frontier has done, and it requires Frontier and CETF to work together to identify the other locations.<sup>10</sup> Frontier and CETF have followed this process, and Frontier will continue to work with CETF to identify locations and deploy Wi-Fi as required by the MOU.

Similarly, CETF asserts that Frontier violated the MOU by failing to provide CETF with a plan by December 1, 2016 for upgrading and deploying broadband. Here, too, CETF is wrong: Frontier provided the required information. Frontier provided a framework of broadband deployment on November 3, 2016 and a more detailed plan on December 5, 2016, well more than a year ago. The MOU does not provide CETF with the right to reject or modify Frontier’s broadband deployment plans, including those related to CAF II deployment, which were largely controlled by the FCC.

Finally, the Petition is procedurally improper and should be dismissed because CETF failed to comply with the requirements of Rule 16.4. The Petition was not brought within one year, fails to identify material facts that have changed that provide a basis for the petition, and fails to support its request with evidence. For these reasons and for the reasons discussed below, the Petition must be dismissed.

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<sup>10</sup> MOU at page 5, paragraph 9(a).

## II. Discussion

### A. Frontier Offered the Exact Low-Income Broadband Program Required by the MOU

CETF claims Frontier violated the MOU by failing to offer an affordable low-income broadband service that would result in 200,000 adoptions in three years.”<sup>11</sup> To support its claim, CETF argues: (1) the program in the MOU was designed mostly by Frontier; (2) during negotiations, CETF was concerned the program would not work, but agreed to it anyway because it “didn’t presume to substitute its experience for Frontier’s”; (3) the program did not achieve the aspirational goal of 200,000 adoptions; therefore (4) the Commission should require Frontier to offer a *different* program that is similar to what CETF originally proposed.<sup>12</sup>

The undisputable facts prove that CETF’s claim is meritless. This docket was initiated in March 2015, when Frontier and several Verizon entities filed a joint application for a transaction in which Frontier would acquire Verizon California Inc. In response, CETF filed testimony and briefs recommending the Commission impose many requirements upon Frontier, one of which was a requirement to offer a low-income broadband program that includes the following terms:

- A \$10 per month stand-alone affordable broadband rate for all eligible low-income households for at least three years and until adoption among low-income households in all service areas reach 80%.
- No Lifeline eligibility requirement.

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<sup>11</sup> Petition at page 4.

<sup>12</sup> Petition at pages 4-5.

- A fund equal to 45% of all low-income households at \$275 per household to pay community-based organizations (“CBOs”) and others to promote the low-income broadband service.<sup>13</sup>

Frontier objected to CETF’s proposed program, explaining it was onerous and unnecessary. Thereafter, the parties negotiated and agreed upon a set of alternative terms, which were memorialized in the MOU. This program includes three major components:

- An affordable low-income broadband product for \$13.99 per month with a download speed of up to 7 Mbps, available only to Lifeline customers until the earlier of (i) three years or (ii) the date the FCC implemented its lifeline broadband program “with sufficient time to transition the ‘interim’ affordable broadband customers to the FCC [program].”<sup>14</sup>
- The offering of no more than 50,000 Wi-Fi capable devices for a period of 2 years, available to any Lifeline customer in Frontier’s territory and administered by a non-profit partner.<sup>15</sup>
- Funding of “*up to* \$3,000,000” to be available through grants to CBOs for their support in administering the program.<sup>16</sup>

As explained in the MOU, the purpose of this program was to encourage broadband adoption for Lifeline eligible consumers with an *aspirational goal* of 200,000 Lifeline broadband customers;

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<sup>13</sup> See, e.g., Brief of the California Emerging Technology Fund, Application 15-03-005, at page 6 (filed Oct. 5, 2015), hereinafter “CETF Brief.”

<sup>14</sup> MOU at page 3, paragraphs 4, 18.

<sup>15</sup> MOU at pages 7-8, paragraphs 20 – 22. The MOU makes clear that Frontier’s obligation to fund Wi-Fi capable devices was only for two years: The devices “will be distributed over a two (2) year period beginning in July 2016 . . .” MOU at page 8, paragraph 22.

<sup>16</sup> MOU at pages 8-9, paragraph 24 (emphasis added).

it did not mandate the enrollment of a certain number or percentage of customers, as CETF had originally proposed.<sup>17</sup> Frontier did not agree—indeed it would not have agreed—to such a condition because it is patently unreasonable to prescribe a specific number of broadband Lifeline customer enrollments where there are myriad variables (many of which are out of Frontier’s control) involved in attracting customers to a low-income offering.<sup>18</sup>

In October 2015, the parties filed a “Joint Motion with the Commission to Modify Positions in Proceeding to Reflect Memorandum of Understanding Between the Parties” (Joint Motion) to inform the Commission of the MOU.<sup>19</sup> This Joint Motion makes clear that the agreed-upon program in the MOU resolved all of CETF’s concerns: “CETF agrees that its public benefit concerns regarding the [t]ransaction have been resolved, and it hereby removes its request for adoption of all the commitments previously identified in its testimony and briefs in this proceeding to the extent they are different than the terms of the MOU.”<sup>20</sup> Indeed, the MOU itself echoes these points and explains the MOU “replaced and superseded” any previous position or proposal made by either party and “constitutes the entire agreement” between them. For example, paragraphs 36-40 of the MOU state:

36. CETF agrees that the commitments made in this MOU resolve any and all issues presented in CETF’s pleadings, comments, testimony, appearances, correspondence, or other representations in connection with this Transaction and the Commission’s review of this Transaction in A.15-03-005.

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<sup>17</sup> MOU at page 7, paragraphs 17 and 19.

<sup>18</sup> CETF repeatedly argues that deployment of broadband to 200,000 additional low-income households was a *requirement* of the MOU. This is incorrect. The MOU identified 200,000 incremental households as an “aspirational” target but did not require any specific number of low-income household adoptions. The reason for this is obvious—Frontier cannot *require* consumers to take its low-income offering and consumers may elect to obtain broadband service from a different wireline provider or from a wireless provider.

<sup>19</sup> The Joint Motion is included in “Frontier Response Exhibit A.”

<sup>20</sup> Joint Motion at page 1-2.

37. Frontier and CETF agree that the terms of this MOU replace and supersede any representations that are inconsistent with these terms, whether presented in formal comments, testimony, pleadings, appearances, correspondence, or any other informal or formal submissions in connection with this Transaction or the Commission's review of this Transaction in A.15-03-005.

38. CETF agrees to support the approval of the Transaction subject to the commitments identified herein. CETF agrees that commitments made herein resolve its concerns regarding the Transaction.

39. This MOU constitutes the entire agreement between the Parties in this proceeding, and this agreement expressly supersedes any prior agreements, without limitation, relating to the Transaction or the Commission's review of the Transaction.

40. Both parties were represented by counsel in connection with this MOU and the MOU is the product of mutual negotiation and drafting amongst the Parties.

The Commission approved the MOU and the transaction closed in April 2016.

Thereafter, on July 22, 2016, the parties entered into an agreement to implement the MOU ("Implementation Agreement").<sup>21</sup> The Implementation Agreement is straightforward: Frontier will pay CBOs \$60 per qualified adoption *up to* \$3,000,000, and also will distribute *up to* 50,000 Wi-Fi capable devices to the CBO for each new Lifeline broadband adoption in Frontier's territory, even if a Lifeline subscriber obtains broadband service from a different provider. The Implementation Agreement also includes a "sample" exhibit of quarterly payouts, but authorizes Frontier to deviate from this sample payout by withholding or adjusting payments if the number of Lifeline subscriber adoptions is not consistent with the projected payout amounts as follows: "CETF is responsible for reporting all unused funds to Frontier quarterly, [and] Frontier reserves the right to withhold or adjust the next quarterly payment based on the unused and unencumbered funds."<sup>22</sup> Finally, the Implementation Agreement expressly provides that it

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<sup>21</sup> The Implementation Agreement is attached as "Frontier Response Exhibit B."

<sup>22</sup> Implementation Agreement at page 2, section B(2)(d).

expires on June 30, 2018, and provides that “[u]pon expiration, CETF shall return any unused funds and devices to Frontier within 30 days.”<sup>23</sup>

Frontier complied with the plain language of the MOU and Implementation Agreement. Frontier offered the exact service the parties agreed upon and provided the funds and devices in accordance with the terms the Implementation Agreement. CETF does not and cannot dispute the facts; instead, it seeks to rewrite the parties’ agreement regardless of the facts. CETF openly admits this impermissible objective in its Petition—it argues the language in the MOU is “secondary in importance and far less controlling” than the goal of low-income broadband adoptions in California.<sup>24</sup> CETF is wrong for at least two reasons. First, under well-settled principles of California law, the plain language of an agreement controls its interpretation, not a party’s goals or opinions. Indeed, the MOU expressly provides it “will be interpreted and enforced pursuant to California law,”<sup>25</sup> and California law provides that “the clear and explicit language” of a contract governs its interpretation,<sup>26</sup> not parties’ positions during negotiations or other extrinsic evidence.<sup>27</sup> Second, although Frontier agrees with CETF that enhancing low-income broadband adoption is an important public policy—in fact, Frontier has gone above and beyond the requirements of the MOU by currently offering *three* low-income broadband programs—a party cannot change the plain meaning of an agreement because it did not like the outcome.

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<sup>23</sup> Implementation Agreement at page 3, section (C)(6).

<sup>24</sup> Petition at page 10.

<sup>25</sup> MOU at page 11, paragraph 41.

<sup>26</sup> See, e.g., Cal. Civ. Code, “Interpretation of Contracts”, Sec. 1638 (enacted 1872).

<sup>27</sup> See, e.g., Cal. Code Civ. Proc. Sec. 1856(a) (Terms set forth in a writing intended by the parties as a final expression of their agreement with respect to the terms included therein may not be contradicted by evidence of a prior agreement or of a contemporaneous oral agreement).

Despite Frontier's compliance with the plain language of the MOU and Implementation Agreement, CETF also repeatedly accuses Frontier of not working in good faith with CETF.<sup>28</sup> CETF's allegations of lack of good faith are not tied to enforcing the terms of the MOU; instead, they are used in an attempt to change the MOU and impose new substantive duties on Frontier. At all times, Frontier operated in good faith and in accordance with the MOU. Yet, despite its (and CETF's) good faith efforts, the number of low-income broadband adoptions has not reached the hoped for level expressed in the MOU. Notwithstanding this outcome, the Commission may not revise and impose new obligations on Frontier that are inconsistent with the terms of the MOU. Indeed, parties often enter into agreements that do not turn out as one or more parties hoped. This does not mean a party acted in bad faith and must be penalized, or that the agreement must be rewritten until it produces a party's desired result—such a rule would render all agreements meaningless. It is not surprising, therefore, that CETF did not (and cannot) cite to any law that supports its fantastical position. The law reflects this common-sense principle: "The covenant of good faith and fair dealing, implied by law in every contract, exists merely to prevent one contracting party from unfairly frustrating the other party's right to receive the benefits of the agreement actually made." *Guz v. Bechtel Nat. Inc.* (2000) 24 Cal.4th 317, 349. This implied covenant, however, cannot change the contract. *Guz, supra*, 24 Cal.4th at 349-350 ("The covenant thus cannot 'be endowed with an existence independent of its contractual underpinnings.' It cannot impose substantive duties or limits on the contracting parties beyond those incorporated in the specific terms of their agreement."); *Wolf v. Walt Disney Pictures and Television* (2008) 162 Cal. App.4th 1107, 1120 (implied terms cannot vary the express terms of the contract). Thus, under well-settled law, CETF may not rely on the covenant of good faith

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<sup>28</sup> Petition at pages 25, 27, 29.

and fair dealing to rewrite the MOU and impose duties on Frontier that exceed the terms of the negotiated MOU.

Furthermore, CETF's claim that it acquiesced to Frontier during negotiations because it "didn't presume to substitute its experience for Frontier's"<sup>29</sup> is contradicted by CETF's statements both before and after it entered into the MOU. Before CETF entered into the MOU, it filed a brief seeking many conditions for low-income broadband, and in support of its conditions it told the Commission that: (1) it has significant experience in promoting broadband services in California through various programs; (2) it has participated "at both at the FCC and this Commission on broadband issues in numerous dockets;" (3) its senior executives "routinely testify before state and federal legislative committees as broadband experts;" and (4) its body of work "has made it extremely knowledgeable on broadband issues and adoption issues in California."<sup>30</sup> Now, in this Petition, CETF suggests that it had concerns about some of the terms in the MOU before it signed it, such as the Lifeline eligibility requirement,<sup>31</sup> but agreed to them anyway. This characterization is at odds with CETF's own statements, which show that CETF is a sophisticated entity that was well-represented.<sup>32</sup> In short, CETF knew exactly what it was agreeing to when it signed the MOU, and it is bound by those terms, regardless of its positions during negotiations or its aim to revise the MOU terms now.

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<sup>29</sup> MOU at page 4.

<sup>30</sup> CETF Brief at pages 1-4.

<sup>31</sup> Petition at page 16.

<sup>32</sup> Also, paragraph 40 of the MOU states, "Both parties were represented by counsel in connection with this MOU and the MOU is the product of mutual negotiation and drafting amongst the Parties," and the CETF counsel who filed the Joint Motion and MOU is a leading communications regulatory lawyer practicing before the FCC and this Commission and a former Commissioner at both the FCC and at this Commission. *See, e.g.,* <http://www.cpuc.ca.gov/chong>. There can be no doubt that CETF was well-represented.



B. CETF's Claim that \$3,000,000 and 50,000 Devices are "Encumbered" is False

CETF also claims Frontier is required to pay CETF the remainder of the \$3,000,000 and deliver the remainder of the 50,000 devices because these funds and devices are "encumbered." Specifically, CETF claims that "by June 30, 2018, CETF will have encumbered through grant agreements with CBOs or other non-profit corporations the distribution of the 50,000 computing devices and \$3 million in grant funding in full performance of the MOU, thus CETF is at risk for the failure of Frontier to perform its MOU obligations."<sup>33</sup>

This claim is incorrect. As noted above, under the Implementation Agreement, each CBO managed by CETF receives \$60 per qualified adoption and a Wi-Fi capable device, "up to" a maximum of \$3,000,000 and 50,000 devices, but CETF is required to return to Frontier all "unencumbered" funds and devices that remain in CETF's possession as of June 30, 2018.<sup>34</sup> The Implementation Agreement was entered into on July 22, 2016, with an effective date of July 1, 2016. On July 25, 2016, CETF entered into a Grant Agreement in the amount of \$300,000 with "human I-T", a non-profit organization CETF selected to help obtain adoptions.<sup>35</sup> This agreement echoes the Implementation Agreement: it agrees to pay human I-T \$60 per adoption; it expires on June 30, 2018; it states human I-T "is responsible for reporting all unused funds to CETF quarterly" and grants CETF "the right to withhold or adjust the next quarterly payment based on the unused and unencumbered funds;" and it requires human I-T to repay any unused funds upon expiration of the Grant Agreement.<sup>36</sup> In short, the Grant Agreement CETF entered

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<sup>33</sup> Petition at page 28.

<sup>34</sup> Implementation Agreement at page 3, section (c)(6).

<sup>35</sup> The Grant Agreement is attached as "Frontier Response Exhibit C." The \$300,000 grant in July 2016 was based on human I-T facilitating the projected adoptions of 5,000 low-income households (i.e., 5,000 adoptions x \$60/adoptions = \$300,000) by June 30, 2018.

<sup>36</sup> Grant Agreement at pages 3-4, section VII(A)(7) and (9).

into with human I-T in July 2016 follows the exact structure and includes the exact language of the MOU and Implementation Agreement CETF entered into with Frontier.

In May 2018, however, on the eve of CETF filing its Petition, CETF and human I-T amended the Grant Agreement to increase the grant amount to \$1,473,000 and to extend the grant to December 31, 2020.<sup>37</sup> This timing strongly suggests that CETF entered into this amendment with human I-T (and likely other CBOs) solely to bolster its arguments made in the Petition and allow it to assert that the funds and devices are now “encumbered.” Perhaps recognizing the blatant transparency of this action, CETF included a safety-valve—the amendment states it is “subject to Frontier Communications complying with the public benefit obligations in the Memorandum of Understanding with CETF ....” This self-serving exception enables CETF to avoid any obligation to human I-T if its Petition is denied. Moreover, CETF’s attempt to expand the grant by \$1,173,000 (from \$300,000) assumes human I-T would be able to facilitate an additional 19,550 low-income broadband adoptions over the next two years, despite the fact that human I-T has not been able to facilitate the 5,000 adoptions originally contemplated with the initial \$300,000 grant. The fact that CETF would rush to try and “encumber” another \$1 million for more than 19,000 additional adoptions on the eve of the Implementation Agreement’s expiration, and would do so with a CBO that has not achieved the number of adoptions set forth in its original grant agreement, clearly evidences CETF’s chicanery. The CPUC must reject such tactics. In short, CETF’s claim that \$3,000,000 will be “encumbered” by June 30, 2018 and that CETF is “at risk” is wholly incorrect, misleading, and should be rejected.

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<sup>37</sup> This amendment is attached as “Frontier Response Exhibit D.” CETF provided copies of the human I-T agreement and amendment to Frontier on May 21, 2018. It did not provide copies of any other such agreements.

Finally, Frontier understands that CETF has more than \$750,000 remaining in unused funds that Frontier provided for the interim low-income broadband service. Because Frontier is going beyond the requirements of the MOU and has chosen to offer this service until June 30, 2019, CETF may keep these funds and continue to give CBOs \$60 per adoption, just as CETF has been doing since 2016. CETF, however, must return any unused funds to Frontier by July 30, 2019.

C. CETF's Negotiations Over a New Broadband Program Are Irrelevant

The Petition explains the parties attempted to negotiate an amendment to the MOU to reflect a new low-income broadband plan that, among other things, would not contain a Lifeline eligibility requirement. This statement is true—Frontier proposed a new plan that it believed would be more attractive to low-income consumers, but CETF rejected it.<sup>38</sup> Accordingly, the plan and the parties' negotiations around it are irrelevant.

Even though CETF rejected the plan, Frontier elected to offer it separate and apart from the MOU. This plan, called "Frontier Fundamentals," is currently available to low-income households and does not require enrollment in Lifeline. It offers increased broadband speeds—from 7 Mbps or higher to 25 Mbps or higher, depending on the available technology—and provides a free Wi-Fi capable device for new Frontier customers who subscribe to the service. As a result, Frontier currently offers *three* low-income broadband services in California:

1. The FCC's Lifeline broadband service, which the FCC adopted and Frontier began offering in December 2016;

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<sup>38</sup> CETF admits this on page 21 of its Petition.

2. The interim low-income broadband service described in the MOU, even though Frontier's obligation to offer this service ended in December 2016;<sup>39</sup> and
3. The new Frontier Fundamentals service.

In short, Frontier has not only *met* requirements of the MOU, it has voluntarily *exceeded* them. This action further evidences Frontier's good faith efforts to not only comply with the plain language of the MOU but also to take additional steps to encourage low-income broadband adoptions in its service territory.

D. Frontier Has Not Violated the MOU's Public Wi-Fi Obligation

CETF claims that Frontier violated the MOU by not providing Wi-Fi service to 50 public locations in low-income areas. Again, CETF's claim is inconsistent with the facts. The MOU does not require Frontier to deploy Wi-Fi at all 50 public locations by a specific time. It does require deployment to ten locations by January 2017, which Frontier completed. The MOU also requires Frontier and CETF to work together to *identify* other locations, and the parties did so. By the end of April 2017, Frontier provided for CETF's review a list of more than 50 potential Wi-Fi locations. Later in 2017, CETF approved many of those locations, and Frontier now has 17 Wi-Fi locations installed and operational.<sup>40</sup> Frontier and CETF continue in a collaborative process to identify more potential Wi-Fi locations to meet the 50 required by the MOU,

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<sup>39</sup> Beginning July, 2018, after the expiration of the two-year requirement in the MOU for the funding and distribution of Wi-Fi devices, Frontier will no longer offer a free Wi-Fi capable device if a customer obtains low-income broadband service from a different provider. This obligation has ended, and no company voluntarily offers equipment to customers served by a competitor.

<sup>40</sup> A number of the candidate locations are not feasible for moving forward because either the organizations at the locations did not want them, or the locations already had some form of Wi-Fi, or other issues.

including in new areas where Frontier’s ongoing broadband expansion now makes Wi-Fi possible. Thus, Frontier is in compliance with the Wi-Fi provisions of the MOU.

In fact, as with its three low-income broadband offers, Frontier is going above and beyond requirements in the MOU with respect to its Wi-Fi hotspots to help promote broadband adoption. At several hotspot locations, Frontier has donated devices to help transform community centers into public computer centers and engaged with local leaders and public officials to promote usage, especially by disadvantaged and low-income residents. These include centers in Desert Hot Springs, Coachella Valley, Los Angeles, and Exeter.<sup>41</sup> Moreover, Frontier is exploring partnerships with potential applicants for newly available California Advanced Services Fund Broadband Adoption grants whereby a Frontier Wi-Fi hotspot location could potentially be used as a venue for a digital literacy or other adoption program.

E. Frontier Has Provided All Plans Required by The MOU

Separate and apart from the low-income broadband plan described above, the MOU summarizes Frontier’s previous commitments to: (1) accept CAF II funding to upgrade 77,402 locations in California; (2) augment the broadband speed for 250,000 households by 2020; and (3) deploy broadband to an additional 100,000 households at 10 Mbps downstream and 1 Mbps upstream by 2020.<sup>42</sup> The MOU required Frontier to provide CETF “the framework of a plan” for

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<sup>41</sup> The following are a few links to some of the ribbon-cutting events at Frontier’s Wi-Fi public computer center locations: <http://bit.ly/FTR-Indio> (Indio); <http://bit.ly/FRT-DesertHotSprings> (Desert Hot Springs); <http://telemundo51fresno.com/comunidad-de-exeter-se-une-a-proyecto-de-cierre-de-brecha-digital-con-un-nuevo-laboratorio-de-computacion-e-internet-alta-velocidad/>; “Bringing internet to rural Tulare County is 'huge' for children,” <https://amp.visaliatimesdelta.com/amp/723375002>; <https://www.visaliatimesdelta.com/picture-gallery/news/2018/06/22/gallery-new-computer-lab-wi-fi-for-exeter/36296831> (Exeter).

<sup>42</sup> MOU at page 4, paragraph 7.

these commitments by October 31, 2016 and a “more detailed plan,” i.e., a plan more detailed than the framework, by December 1, 2016. Frontier did so.

Frontier’s broadband infrastructure deployment commitments as approved by the CPUC actually include more households than those described in the MOU, and Frontier went beyond the requirements of the MOU by providing CETF with plans that included all of Frontier’s commitments. Specifically, Frontier has presented to CETF, the CPUC, public officials, and other entities the following summary presentation of the commitments approved by the CPUC decision:

**Frontier’s Five Categories of Broadband Deployment**

Commitment Category	Minimum Service Speed	Cumulative Number of Households To Be Served						Total HHs
		2017	2018	2019	2020	2021	2022	
1) Connect American Fund (CAF) II Service	10 Mbps Down 1 Mbps Up	<b>34,000</b>	54,000	72,000	90,000	-	-	<b>90,000</b>
2) 10 Mbps Service	10 Mbps Down 1 Mbps Up	-	50,000	75,000	100,000	-	-	<b>100,000</b>
3) Northern California 10 Mbps Service	10 Mbps Down 1 Mbps Up	-	-	-	-	-	7,000	<b>7,000</b>
4) 6 Mbps Service	6 Mbps Down 1-1.5 Mbps Up	-	50,000	100,000	150,000	200,000	250,000	<b>250,000</b>
5) 25 Mbps Service	25 Mbps Down 2-3 Mbps Up	<b>100,000</b>	150,000	200,000	250,000	300,000	400,000	<b>400,000</b>
<b>Grand Total</b>		<b>134,000</b>						<b>847,000</b>

On November 3, 2016, by email attachment, Frontier sent CETF a letter dated November 2, 2016, from Michael Golob, Frontier’s Senior Vice President of Engineering, to Sunne

McPeak, describing the overall framework of Frontier's five categories of broadband infrastructure deployment. Additional email exchanges on and around November 3, 2016, confirmed that CETF would distribute the broadband framework letter in order to fulfill the MOU requirement that the framework be communicated to local officials and regional and community stakeholders.

On December 5, 2016, by email, Frontier sent CETF a more detailed plan with a slide deck of the "Frontier Broadband Infrastructure Plan" for the five categories of broadband commitments adopted in the CPUC transaction decision, with expected 2017 deployment by category and service area, and grouped by county. This included a "public" slide deck and, upon execution of a Nondisclosure Agreement, a "confidential" slide deck, with the confidential version showing actual numbers of households in each identified service area. On March 15, 2017, Frontier emailed CETF updated versions of both the public and confidential "Frontier Broadband Infrastructure Plan," even though the MOU did not require Frontier to take such action.

Thus, Frontier provided the framework and plan required by the MOU more than 16 months ago, and Frontier is implementing its plans. CETF has no basis to assert that Frontier failed to provide it with deployment plans.<sup>43</sup>

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<sup>43</sup> CETF also claims Frontier "failed to provide any detailed plans" for broadband commitments contained in its separate settlement with Office of Ratepayer Advocates, TURN, and Center for Accessible Technologies. (Petition at page 14.) As matter of law, CETF no standing to complain about an agreement to which it is not a party: "Someone who is not a party to [a] contract has no standing to enforce [a] contract or to recover extra-contract damages for wrongful withholding of benefits to the contracting party." *Gantman v. United Pacific Insurance Co.* (1991) 232 Cal.App.3d 1560, 1566 (internal quotations omitted). In any event, Frontier sent a letter to the Communication Division dated March 8, 2018 on its commitments that includes a confidential attachment reflecting completed locations through December 31, 2017.

F. CETF's Petition Fails to Comply with Rule 16.4

The Commission also should dismiss the Petition on procedural grounds, because it fails to comply with Rule 16.4 in several respects. First, the Petition improperly relies on extra-record matters. Rule 16.4 requires that "[a]ny factual allegations must be supported with specific citations to the record in the proceeding or to matters that may be officially noticed." Rule 16.4(b). The changes CETF seeks are not based on the terms of the MOU or any other record facts. Indeed, CETF's proposed changes to the Decision contain no citations to record evidence and are based solely on CETF's unsupported arguments and speculation.<sup>44</sup> For the reasons explained above, CETF cannot rely on the MOU precisely because the requested "modifications" seek enforcement of positions that are not reflected in the unambiguous language of the MOU. Therefore, the Petition should be dismissed because CETF has not—and cannot—support its factual allegations with any evidence in the record.

Second, CETF's Petition fails to identify any material changes in facts that undermine the premise of the Decision. "To justify modifying a Commission decision, a party must show a significant change in material facts that undermines the factual premise of the decision. [The Commission] particularly disfavor re-litigating issues due to the waste of Commission and parties' resources." D.17-12-006, at p. 10 (denying ORA's petition for modification and finding that "[t]here must be a major change that would 'create a strong expectation that we would make a different decision based on these facts or circumstances.'"). Here, CETF improperly attempts to re-litigate arguments it previously made in briefs and testimony despite its express agreement that the MOU resolved and superseded all such prior arguments. CETF fails to identify "any

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<sup>44</sup> Exhibit 16 to the Petition.



significant change in material facts that undermines the factual premise" of the Decision.

Therefore, the Petition should be dismissed on this additional procedural ground.

Third, CETF's Petition was not brought within one year of the Decision and it has failed to identify facts showing that it could not have been brought within one year of the effective date of the Decision. Rule 16.4(d). Many of CETF's arguments rely upon alleged breaches that purportedly occurred well before it brought the Petition, such as CETF's claim that Frontier violated the MOU by failing to provide CETF with a plan by December 1, 2016 for upgrading and deploying broadband. CETF attempts to justify its delay by claiming that it took a while for CETF to determine the low-income plan was not viable<sup>45</sup> and to attempt to work in good faith with Frontier "to comply with the MOU to deliver the public benefits."<sup>46</sup> As explained above, CETF's arguments lack merit because Frontier complied with all terms of the MOU at all times. CETF's failed attempts to negotiate and enforce a separate agreement do not justify its nearly two and half year delay in bringing the Petition to compel Frontier to comply with the terms of the MOU the parties agreed upon. Because CETF has failed to provide sufficient justification for its substantial delay, the Petition should be summarily denied pursuant to Rule 16.4(d).

### **III. Conclusion**

CETF's Petition must be dismissed. It is not factually or legally supported and is procedurally improper. Frontier provided the exact interim low-income broadband service required by the MOU. In fact, Frontier exceeded the requirements of the MOU by launching two additional low-income offers while still voluntarily continuing to offer the interim service. Also, the clear and explicit language of the parties' agreements provides that CETF would only receive

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<sup>45</sup> Petition at page 6.

<sup>46</sup> *Id.*

funding and devices as low-income broadband adoptions occurred. Despite Frontier's good faith efforts to work with CETF and its CBO partners over the last two years, the number of low-income consumers adopting Frontier's discounted broadband plans is lower than both parties hoped, but this does not equate to a breach of the MOU. It instead simply reflects the marketplace and consumer preferences. CETF is not entitled to any additional funding or to continue to distribute Wi-Fi capable devices funded by Frontier to consumers signing up for broadband service with Frontier's competitors. Frontier will, however, continue to work with CETF in good faith to promote and encourage the adoption of its three low-income broadband offers in California in furtherance of and beyond the requirements contained in the MOU.

Dated this 28th day of June, 2018, at Thousand Oaks, California.

Respectfully submitted,

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# EXHIBIT A

**Exhibit C  
(Attached)**

**Memorandum of Understanding Between  
Frontier Communications  
And  
California Emerging Technology Fund**

**Dated October 23, 2015**

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

In the Matter of the Joint Application of Frontier	)	
Communications Corporation, Frontier	)	
Communications of America, Inc. (U 5429 C)	)	
Verizon California Inc. (U 1002 C), Verizon	)	Application No. 15-03-005
Long Distance, LLC (U 5732 C), and Newco	)	
West Holdings LLC for Approval of Transfer	)	
of Control Over Verizon California Inc. and	)	
Related Approval of Transfer of Assets and	)	
<u>Certifications</u>	)	

**JOINT MOTION OF FRONTIER COMMUNICATIONS CORPORATION, FRONTIER  
COMMUNICATIONS OF AMERICA, INC. (U 5429 C) AND THE CALIFORNIA  
EMERGING TECHNOLOGY FUND TO MODIFY POSITIONS IN PROCEEDING TO  
REFLECT MEMORANDUM OF UNDERSTANDING BETWEEN THE PARTIES**

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October 23, 2015

Pursuant to Rule 11.1 of the Rules of Practice and Procedure (“Rules”) of the California Public Utilities Commission (“Commission”), Frontier Communications Corporation, Frontier Communications of America, Inc. (collectively, “Frontier”) and the California Emerging Technology Fund (“CETF”) (jointly, the “Joint Parties”) hereby submit this Joint Motion to modify the Joint Parties’ positions to reflect the terms of a recently-executed Memorandum of Understanding (“MOU”) between the Joint Parties. The MOU contains additional commitments from Frontier that are contingent upon consummation of the Frontier acquisition of Verizon California Inc. (the “Transaction”), and, based on those commitments, the previously-stated concerns of CETF regarding the Transaction have been resolved. The Joint Parties submit this Joint Motion to clarify that they both support the Transaction with the additional commitments presented in the MOU, and to modify their positions to reflect the terms of this MOU.

The details of the parties’ agreement and the basis for modified positions are outlined in the MOU. The MOU is attached hereto as Attachment A. Specific commitments highlighted in the MOU include Frontier’s commitment to offer an interim discounted broadband access service to LifeLine voice customers for \$13.99 per month upon consummation of the Transaction and until the anticipated Federal Communications Commission (FCC) broadband Lifeline program is implemented. The MOU also includes other broadband deployment and adoption initiatives for low-income and rural households across the state, through ongoing collaboration between CETF and Frontier and with regional and community stakeholders. Frontier has agreed to implement the commitments identified in the MOU if the proposed Transaction is consummated, and, based on these commitments, CETF agrees that its public benefit concerns regarding the Transaction have been resolved, and it hereby removes its request for adoption of all of the commitments

previously identified in its testimony and briefs in this proceeding to the extent that they are different than the terms of the MOU.

Although the testimony in this case has already been submitted and the briefing is closed, the Joint Parties have continued to discuss constructive ways to resolve their differences related to the Transaction. Based on the MOU, the Joint Parties have reached an understanding and a set of terms under which they can both support the Transaction. The Joint Parties submit this Joint Motion to ensure that their current positions are properly reflected on the record and to ensure that the Commission has the benefit of this updated information as it evaluates this Transaction.

Respectfully submitted this 23<sup>rd</sup> of October, 2015.

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# ATTACHMENT A



**MEMORANDUM OF UNDERSTANDING AND AGREEMENT BETWEEN  
FRONTIER COMMUNICATIONS CORPORATION AND  
CALIFORNIA EMERGING TECHNOLOGY FUND**

By their authorized representatives, and intending to be legally bound, Frontier Communications Corporation ("Frontier") and the California Emerging Technology Fund ("CETF") enter into this Memorandum of Understanding and Agreement ("MOU") dated October 23, 2015.

All the terms of this MOU are expressly contingent upon the consummation of the Transaction set forth in the February 5, 2015 Stock Purchase Agreement attached as Exhibit 1 to the Joint Application filed In the Matter of the Joint Application of Frontier Communications Corporation, Frontier Communications of America, Inc. (U 5429 C) Verizon California Inc. (U 1002 C), Verizon Long Distance, LLC (U 5732 C), and Newco West Holdings LLC for Approval of Transfer of Control Over Verizon California Inc. and Related Approval of Transfer of Assets and Certifications (A.15-03-005) ("Transaction").

This MOU reflects additional commitments that Frontier has agreed to make provided that the Transaction is consummated, and reflects CETF's agreement that, based on those commitments, the concerns expressed in CETF's pleadings, testimony, and appearances regarding the Transaction have been resolved. To the extent that Frontier's or CETF's previous positions are inconsistent with this MOU, those positions are hereby modified in accordance with the terms set forth herein.

**RECITALS**

1. Frontier and CETF are entering into this MOU to ensure that there are tangible public benefits derived from the Frontier acquisition of the Verizon wireline network in California. CETF is a legal party in the proceeding (Application 15-03-005) before the California Public Utilities Commission (CPUC).
2. The mission of CETF is to close the Digital Divide in California by accelerating broadband deployment and adoption. CETF provides leadership to promote public policy to close the Digital Divide and to facilitate consensus among stakeholders to achieve results. CETF collaborates with Regional Consortia, local governments, and civic organizations to identify opportunities to support broadband infrastructure construction. CETF partners with community-based organizations (CBOs) throughout California that are experienced in reaching disadvantaged populations in-culture and in-language to increase broadband adoption among low-income households. CETF is focused on results and has a track record of performance with transparency and accountability.
3. CETF actively supports the promulgation of public-private partnerships as a public policy foundation for closing the Digital Divide by harnessing the discipline and innovation of the private sector with the expertise and cultural competency of those working on behalf of the public sector as "trusted messengers" to reach disadvantaged populations. A public-private partnership is characterized by partners reaching agreement on goals, jointly developing an action plan to achieve explicit outcomes, and working together continuously to implement the plan with mutual accountability for results.

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4. CETF and Frontier are joining forces to work together in collaboration with other stakeholders and CBOs in the true spirit of a public-private partnership with the intent to make a significant contribution to closing the Digital Divide in California. Frontier and CETF further agree that the overall goal regarding broadband adoption should be to get as many low-income households as possible online with high-speed Internet access at home in the shortest amount of time with the least cost. It is with this shared commitment that Frontier and CETF are pursuing innovative approaches to increasing broadband adoption.

5. CETF also has acknowledged in filings to the CPUC the value and unique circumstance of Frontier bringing wireline deployment expertise to California to reach unserved and underserved communities. CETF further recognizes that Frontier's commitment to specific broadband infrastructure projects is a significant public benefit that complements its contribution to broadband adoption.

6. CETF and Frontier have worked together to delineate a framework that meets the CETF objective for determining public benefits that are "appropriate, fair and comparable."

7. To ensure that this agreement is being entered into to further the public interest for broadband deployment and adoption, CETF shall receive no funds or other contributions from Frontier.

8. CETF and Frontier agree that time is of the essence. California households without broadband access or the ability to afford high-speed Internet service at home are being left behind at an accelerating pace. Therefore, the commitments herein are being implemented with all deliberate speed consistent with appropriate planning and prudent business practices to ensure success.

9. Frontier is committed to provide broadband access to as many consumers as possible, whether on an individual subscription basis or in a public environment that allows concurrent users to access the internet. In order to address the digital divide, there are 4 areas of opportunity to develop and implement:

- a. Broadband is available across as much of the Frontier/Verizon footprint as reasonably possible.
- b. Network performance addresses the customer need, low-income or otherwise.
- c. Broadband adoption includes access, education, tools, and service levels.
- d. Community partnerships are developed and maintained with non-profit organizations, including schools and libraries, in order to establish the knowledgeable and trusted messenger vehicle within the community.

## COVENANTS

1. Frontier and the California Emerging Technology Fund (CETF) will work together to address the need to bring broadband service to low-income households in California.

2. Frontier supports the expected FCC-mandated Lifeline broadband program. Upon commencement, Frontier will adhere to all program guidelines and application processes. Frontier will provide training to all customer service representatives who support California. Frontier will continue to support the Lifeline voice program.

3. As with the current Lifeline voice program, Frontier will message the availability of the Interim Low-Income Broadband program across all of the communities served no later than July 1, 2017 (and will do the same for the FCC Lifeline broadband program when enacted and available). In fact, the Lifeline voice program will remain the foundation during the offer of the Frontier Interim Low-Income Broadband Program.

4. Described below is the Frontier Interim Low-Income Broadband Program that will be offered to Frontier Lifeline voice customers. Interim Low-Income Broadband Offer – Only for Frontier wireline Customers (in footprint) who are or become qualified participants in either the California Lifeline or the Federal Lifeline programs (as an efficient mechanism and reasonable criteria to determine eligibility) and have selected Frontier as their Lifeline service provider:

- o \$13.99/month for the low-income broadband service (which is a new affordable product for the Verizon service area and an improved product in the Frontier legacy service areas), available only to Lifeline voice customers, existing or new customers.
- o Frontier shall not require any more information from applicant than is required for the California LifeLine program.
- o Up to 7 megabytes per second (Mbps) downstream where 7 Mbps is available and the highest available upstream speed. If less than 7 Mbps service is available, Frontier will provide the highest available downstream and upstream speeds of service.
- o Free Installation.
- o Free Modem with wireless router.
- o Assistance by Frontier trained customer representatives or designated third parties to educate and sign up for California and/or FCC Lifeline program.

5. Frontier agrees that the low-income household population expands across the Verizon California operating areas. There are approximately 3 million Verizon households in the to-be-acquired areas. The 3 million households make-up approximately 18 percent of the households in California. Currently, there are approximately 150,000 Lifeline wireline voice customers in the Verizon footprint who have selected Verizon wireline as their Lifeline provider. The approximate 150,000 Lifeline voice customer base is the result of approximately 30 years of the Lifeline program availability. The Federal Lifeline wireline voice program commenced in 1985. To participate in the Federal Lifeline program, consumers must either have an income that is at or below 135% of the federal Poverty Guidelines or participate in one of the following assistance programs: Medicaid; Supplemental Nutrition Assistance Program

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(Food Stamps or SNAP); Supplemental Security Income (SSI); Federal Public House Assistance (Section 8); Low-Income Home Energy Assistance Program (LIHEAP); Temporary Assistance to Needy Families (TANF); National School Lunch Program's Free Lunch Program; Bureau of Indian Affairs General Assistance; Tribally-Administered Temporary Assistance for Needy Families (TTANF); Food Distribution Program on Indian Reservations (FDPIR); or Head Start (if income eligibility criteria are met).

6. Frontier will work with CETF to develop the plan to inform eligible and prospective customers, including the content of the communications and information materials. Frontier will make the final decisions with regard to customer communication content. Frontier shall continue to promote, offer and support the FCC Broadband Lifeline Program in its service areas as long as such a program is authorized by the FCC. Frontier shall report quarterly to the CETF executives, as selected by the CETF President and CEO on the progress being made in enrolling eligible low-income households. Frontier understands the importance of ensuring a low-income offering is available and accessible, and therefore shall place media buys with ethnic and community print and broadcast media shown to be effective in reaching the target populations in-language. Frontier may seek the advice of the Consumer Advisory Board in selecting media vendors.

7. Frontier will accept the Connect America Fund (CAF) II obligations and funds in California. If the transaction is approved, Frontier will have access to approximately \$32 million annually for six years from Verizon California to upgrade approximately 77,402 locations in California. The obligations under CAF II are significant and Frontier will bear the risk and expense associated with fulfilling the CAF II requirements beyond the specific funding provided through the program. Additionally, and separate from CAF II, Frontier is committing to augment the broadband speed for 250,000 households in the Verizon California service areas to support speeds of 25 Mbps downstream and 2 Mbps upstream by 2020. Frontier also commits to deploy broadband to an additional 100,000 households at 10 Mbps downstream and 1 Mbps upstream in selected areas across the Verizon footprint. This is yet another important consumer benefit of the Transaction in that 100,000 households that currently do not have access to broadband with Verizon California or access to adequate broadband speed, will have the ability to receive these services from Frontier by 2020.

8. Frontier is prepared to deliver broadband access as available to as many users as possible located in the current Frontier footprint, including the Counties located in the Northeast area of California. This will include a comprehensive network assessment of the following Counties: Modoc, Shasta, Lassen, Plumas, Siskiyou, and Tehama. In addition to these counties benefiting from CAF II support accepted by Frontier, Frontier will deliver broadband to an additional 7,000 unserved households at speeds of 10 Mbps download and 1 Mbps upload in Frontier's legacy California service areas.

a. A method of providing broadband is via Frontier Satellite Broadband, in partnership with Hughesnet. In very rural areas where a network build-out is constrained due to the high cost per household (and where it falls outside of the FCC census block guidelines), and line-of-sight conditions are acceptable, Frontier will offer a satellite broadband product that allows 5 Mbps to 15 Mbps download speed. This is a Hughesnet product, therefore the product attributes are controlled by Hughesnet.

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b. To promote the availability and product attributes, Frontier will offer a free installation, plus the first month free to new subscribers.

c. Frontier shall be available to provide more detailed information about the Hughesnet partnership to CETF, Regional Consortia, elected county and city officials, and other regional and community stakeholders by November 30, 2015 in order to allow them to evaluate this service and to provide feedback to Frontier regarding the extent to which the Hughesnet service addresses may address the needs of unserved and underserved households. CETF accepts the responsibility to schedule this meeting. Frontier will send knowledgeable executive(s), but is not responsible to schedule or attend additional meetings to discuss the Hughesnet opportunity.

9. In very rural areas where network build is too costly, and where the FCC's Very High Cost CAF support is not yet available, Frontier and CETF will identify by April 2017 fifty (50) public locations to install broadband so users may access the internet under the guidelines communicated by such a public entity. Frontier also understands that there may be very low-income urban neighborhoods where available low-income broadband offers are beyond the financial means of certain households. In these areas, Frontier and CETF in consultation with CBO partners will evaluate whether and where to further use the commitment of Frontier for the 50 public locations in low-income urban neighborhoods to encourage broadband adoption.

a. In the spirit of recognizing that 27% of those with no internet access in California connect to the internet from another location (CETF 2015 Field Poll survey, named Internet Connectivity and the Digital Divide in California Households), Frontier will work with CETF to identify and build no less than 50 public locations across low-income areas (as defined by the U.S. Census data) to ensure that no less than 1,250 concurrent users can access the internet at speeds no less than 10 Mbps down and 1 Mbps up across these 50 public Wi-Fi locations. CETF agrees that these public broadband locations will only be deployed in locations with existing sufficient transport capacity to access the Internet and Frontier will not be required to construct or expand backhaul capacity. Frontier will complete the identification, design and deployment of at least ten (10) of the 50 public broadband locations by January 2017.

10. Frontier shall work with CETF to co-convene and meet with the Regional Consortia, elected county and city officials, and other regional and community stakeholders in the six (6) Northeast counties no later than July 1, 2016 to present the framework of a plan to reach as many of the unserved and underserved households in the 6 counties. Frontier shall rely upon both the CPUC data and feedback from the participants to identify unserved and underserved households. This analysis will be informed by the FCC CAF II build obligations. As has been communicated to Frontier, CETF has a priority focus on considering unserved and underserved households along the following corridors: Highway 299 east from Redding to Alturas; Highway 139 from Alturas to Susanville; and Highway 36 from Susanville to Red Bluff. CETF accepts the responsibility to schedule this meeting. Frontier will send knowledgeable executive(s), but is not responsible to schedule or attend additional meetings to discuss the plan for the six Northeast Counties noted.

11. Frontier shall communicate with CETF, Regional Consortia, elected county and city officials, and other regional and community stakeholders in their service

areas to present the framework of a plan no later than October 31, 2016 to upgrade the 77,402 locations, augment the broadband speed for 250,000 households, and deploy broadband to an additional 100,000 households. A more detailed plan will be shared on or before December 1, 2016. Frontier will make the final determination regarding locations for broadband deployment. However, the purpose of this commitment is to ensure clear communication from Frontier regarding the Frontier implementation of this commitment. CETF shall assist Frontier in securing cooperation from local officials and permitting agencies to achieve the deployment to the 100,000 households as soon as reasonably possible. Frontier will provide an analysis of the difference in consumer experience and cost between 1 Mbps and 3 Mbps upstream to inform regulators (CPUC), policymakers, CETF, Regional Consortia, elected county and city officials, and other regional and community stakeholders.

12. Frontier is knowledgeable and has experience seeking funding and deploying broadband facilities through the California Advanced Services Fund (CASF) program. Frontier understands the importance of adequate funding of CASF and will work with CETF and Regional Consortia to establish future goals and authorized funding for CASF through Assembly Bill (AB) 238 and/or other appropriate legislative bills.

13. Frontier will continue to offer the existing broadband products in the Verizon service area for at least one year.

**Network performance addresses the customer need, low-income or otherwise.**

14. Frontier is acquiring, based upon the approval by the CPUC, a network with variable speed attributes across the Verizon footprint. Upon operation commencement, Frontier will maintain the speed attributes acquired and begin identifying network opportunities for enhancement prioritization. A team of no less than 50 field representatives will be focused solely on the purpose of identifying network issues, including upgrade needs, prioritization, and the development of the plan.

**Broadband adoption includes access, education, tools, and service levels.**

15. Frontier will implement an Interim Low-Income Broadband program for customers who are or become qualified participants in either the California or the FCC Lifeline program and have selected Frontier as their Lifeline service provider.

16. There are 3 areas of broadband adoption to address:

- a. Broadband is available either in the private dwelling (home or business) or in a public environment (schools, libraries, community gathering locations).
- b. Broadband users have a web-capable device in their hands, utilizing a public-private partnership(s) within the communities.
- c. Education and training to ensure understanding about the device, content available, and how to access the internet.

17. Frontier agrees to broadly market the Frontier Interim Low-Income Broadband program and the FCC's Lifeline broadband program, when each is available. Frontier agrees that over a period of three (3) years, the target of 200,000 enrolled Lifeline broadband customers is an aspirational target CETF and Frontier will endeavor with sincere commitment and in good faith to achieve.

18. Frontier's "interim" affordable stand-alone broadband rate of \$13.99 per month will be all inclusive (no additional fees, except local, state, and federal taxes), provide a speed of up to 7 Mbps download and available to Frontier customers that participate in the existing Federal or California Lifeline voice program and select Frontier as their Lifeline service provider. This offer will remain in effect until the FCC enacts a Broadband Lifeline Program and it becomes effective with sufficient time to transition "interim" affordable broadband customers to the FCC Program without undue disruption or hardship to the existing customer. Further, Frontier customers on the affordable rate shall have that rate, pending the transition to the new FCC Lifeline broadband program. The affordable offer will not require a long-term contract or credit check.

19. Frontier and CETF will outreach to potential community-based organizations (CBO) partners regarding consumer outreach with the aspiration goals of achieving as much of the 200,000 low-income adoptions in the shortest-possible timeframe with the aspirational goal being no longer than three years. Frontier and CETF in consultation with CBO partners will develop a mutually-agreed upon plan no later than June 30, 2016 to achieve broadband adoption by 200,000 low-income households. CETF partners may include Youth Policy Institute, Southeast Community Development Corporation, Humboldt State University California Center for Rural Policy, EveryoneOn, United Ways of California, Radio Bilingue, California Foundation for Independent Living Centers, YMCA of Greater Long Beach, The Stride Center, Chicana Latina Foundation and Latino Community Foundation, and others with deep experience and a track record of achieving broadband adoption. CETF will select the CBO partners and implement a grant agreement, including performance accountability standards related to achieving the aspirational goal of 200,000 low-income households adopting broadband service, with each of the CBO partners. The results will be reported quarterly to Frontier.

20. Across the defined low-income areas, Frontier will fund the purchase of 50,000 web Wi-Fi capable tablets, each of which will be Wi-Fi capable to connect to a public internet service or private Wi-Fi and support low-income broadband service, as part of the adoption initiative, over a two (2) year period. These web Wi-Fi capable devices will be processed and distributed by non-profit organizations as part of a public-private partnership program initiated by Frontier in collaboration with CETF and partners. Frontier recognizes that a significant number of households with internet access do not subscribe due to the lack of a computer or smart phone. (CETF 2015 Field Poll survey, named Internet Connectivity and the Digital Divide in California Households). For the purposes of this MOU, "WiFi" means a Managed Wi-Fi Data service (or Wireless LAN service) which utilizes the 802.11b/g/n/ac specifications. The service operates within the 2.4 GHz and 5 GHz unlicensed spectrum bands (ISM bands).

21. The web capable devices will be available to all eligible households within the Frontier service areas but may be distributed to both Frontier and non-Frontier customers who subscribe to broadband service at home. The non-profit partner will provide the administration process and ensure that the web capable devices are distributed consistent with the plan developed by Frontier, CETF and partners within the

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guidelines of the non-profit's program and within the territory served by Frontier. The purpose of this program is to facilitate broadband adoption with the aspirational goal of achieving broadband adoption by 200,000 low-income households with an affordable offer, and an emphasis on outreach to the youth, people with disabilities, and elderly located in low-income defined areas.

22. The 50,000 Internet-enabled devices will be distributed over a two (2) year period, beginning in July 2016 and will be considered for purposes of achieving the aspirational goal of 200,000 low-income households adopting broadband service. Devices will have the functionality to access the internet and be compatible with the needs of students, aligned with technology programs of major school districts in the Frontier service areas, and capable of helping prepare students for Smarter Balanced Assessment System (SBAC) testing. Thus, Frontier shall consult with CETF and selected community-based organization partners on the specifications and distribution of the devices.

**Community partnerships are developed and maintained with non-profit organizations, including schools and libraries, in order to establish the knowledgeable and trusted messenger vehicle within the community.**

23. The public-private partnerships, focused on the distribution of the tablets and broadband adoption, will be developed by CETF and CBO partners, and will be selected by CETF. As examples of potential public-private partnerships:

- Frontier is interested in a partnership with the Youth Policy Institute (YPI), utilizing its existing knowledge and outreach programs to effectively communicate and deploy broadband outreach to the Promise Neighborhoods that are located within the Verizon Southern California footprint. CETF will work with selected community and non-profit organizations to develop and improve broadband adoption to low-income areas, partnering with YPI, or a similar non-profit organization, with selection the responsibility of CETF.
- Frontier is interested in a partnership with Humboldt State Foundation, utilizing its existing knowledge and outreach programs to effectively communicate and deploy broadband outreach to low-income residents who are located within the Verizon Northern California footprint. CETF will work with selected community and non-profit organizations to develop and improve broadband adoption to low-income areas, partnering with the Humboldt State Foundation, or a similar non-profit organization, with selection the responsibility of CETF.

24. If YPI, Humboldt State Foundation, and/or other selected non-profit organizations are able to participate at the level needed, CETF will work with each organization to develop a plan, with the Frontier program 'white labeled' as a Frontier and "non-profit" program.

- Work via YPI, Humboldt State Foundation (or other CETF recommended organizations, including schools, libraries, and non-profit organizations to serve as "trusted messengers") and partners to execute the Frontier program.
- Develop a workshop program to ensure Low-Income Customers can operate the basic functions on the Wi-Fi capable tablet, access websites, and access certain applications, funded via Frontier partnerships. Frontier will take the



lead to identify and solidify funding, up to \$3,000,000 to be available through grants to CBOs to support activities to accomplish specific goals for broadband adoption (as part of achieving 200,000 adoptions by low-income households). Frontier and CETF along with CBO partners may solicit additional funds from charitable foundations and other sources if necessary to augment the Frontier contributions to support broadband adoption.

25. Once the FCC's Lifeline broadband program commences, and starting with the approximately 150,000 current Lifeline voice customers in the Verizon California footprint Frontier will commit to work with the Federal Communications Commission (FCC) on revisions to the Lifeline Program, to support broadband to low-income households. This will be a nationwide program with consistent rules regarding customer qualifications and a uniform application process.

- Frontier will adopt the FCC's Lifeline Broadband Offer and communicate proactively across California, starting with the 150,000 current Lifeline 'voice' Customers who have access to broadband.
- As broadband is expanded, based upon access to the second round of CAF II, the FCC Lifeline broadband service will be communicated.

#### **Year 4 and beyond**

26. Frontier remains committed to bring broadband accessibility to as many households in California as reasonably possible. We have shown the understanding and commitment to access federal and statewide funds over the years and this will continue. Frontier has also invested heavily across the operating areas, including the VZN properties acquired during 2010.

27. At the end of three years, Frontier will meet with the CETF executives to discuss progress and the plan going forward. It is our intent to continue the network improvement, provide broadband to additional unserved households, and provide the programs that will improve broadband adoption, with an emphasis on broadband adoption in the low-income defined areas of California served by Frontier.

#### **Other agencies focused on network development and enhancement**

28. Frontier agrees to meet with FirstNet on the emergency response network.

29. Frontier already participates in CENIC, K-12 and other programs bringing network connectivity to educational facilities. Frontier will continue to pursue other projects in the Verizon California footprint.

30. Frontier shall engage with the California Telehealth Network (CTN) and invite CTN (in addition to CENIC and K-12HSN) to stakeholder meetings. CTN may be a valuable partner for purposes of driving broadband adoption.

### **Frontier Consumer Advisory Board**

31. Frontier will establish a Frontier Consumer Advisory Board of 12 members selected by Frontier executives. CETF will have one seat on the Board, to be nominated by CETF. A non-profit organization (a CBO) designated by CETF from among the CBO partners will have one seat on the Board, to be nominated by CETF. This is an unpaid position, but the quarterly Board meetings will include travel expense (within California) and a per diem for the CETF representative and the CETF-designated CBO representative.

### **Reporting**

32. Outreach, Broadband Adoption, CAF II build-out progress will be reported quarterly to the Frontier Consumer Advisory Board. Frontier Region President will meet with the CETF CEO/President on a quarterly basis.

### **Other**

33. Frontier recognizes the importance of leadership continuity as it relates to this Agreement, and will consult with CETF on a transition plan will be developed between Frontier and CETF to help ensure the initiatives continue without pause should a leadership change occur.

### **Miscellaneous**

34. The agreements, representations, and covenants herein are expressly contingent upon consummation of the Transaction. Should the Transaction not be consummated for any reason, this MOU will be void and the representations herein will have no effect on the Parties.

35. Provided that the Transaction is consummated, Frontier agrees to fulfill the commitments presented herein.

36. CETF agrees that the commitments made in this MOU resolve any and all issues presented in CETF's pleadings, comments, testimony, appearances, correspondence, or other representations in connection with this Transaction and the Commission's review of this Transaction in A.15-03-005.

37. Frontier and CETF agree that the terms of this MOU replace and supersede any representations that are inconsistent with these terms, whether presented in formal comments, testimony, pleadings, appearances, correspondence, or any other informal or formal submissions in connection with this Transaction or the Commission's review of this Transaction in A.15-03-005.

38. CETF agrees to support the approval of the Transaction subject to the commitments identified herein. CETF agrees that commitments made herein resolve its concerns regarding the Transaction.

39. This MOU constitutes the entire agreement between the Parties in this proceeding, and this agreement expressly supercedes any prior agreements, without limitation, relating to the Transaction or the Commission's review of the Transaction.

40. Both parties were represented by counsel in connection with this MOU and the MOU is the product of mutual negotiation and drafting amongst the Parties.

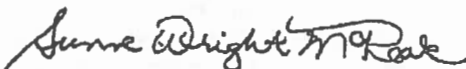
41. This MOU will be interpreted and enforced pursuant to California law.

42. This MOU may be executed in counterparts.

Executed by:


California Emerging Technology Fund

Dated: October 23, 2015

By:   
Sunne Wright McPeak  
President and CEO  
California Emerging Technology Fund

Frontier Communications Corporation

Dated: October 23, 2015

By:   
Melinda White  
Area President – West Region  
Frontier Communications Corporation

# **EXHIBIT B**

**IMPLEMENTATION AGREEMENT BETWEEN FRONTIER COMMUNICATIONS CORPORATION AND THE CALIFORNIA EMERGING TECHNOLOGY FUND**

This Implementation Agreement ("Agreement") is between Frontier Communications Corporation ("Frontier") and the California Emerging Technology Fund ("CETF") and is effective July 1, 2016.

**A. Recitals**

1. Frontier and CETF entered into a Memorandum of Understanding and Agreement dated October 23, 2015 ("the MOU").
2. The California Public Utilities Commission approved the MOU in Decision 15-12-005, issued on December 9, 2015.
3. This Agreement implements the MOU concerning the aspirational goal to achieve broadband adoption by up to 200,000 low-income households. Under the MOU, Frontier agreed to provide up to 50,000 web Wi-Fi capable devices and fund up to \$3,000,000 (\$60 per qualified adoption) for the broadband adoption initiative. After the MOU was executed, Frontier also agreed to fund an additional \$50,000 to support workshops and meetings for the broadband adoption initiative.

**B. Terms**

1. The MOU is attached as Exhibit C and is incorporated by reference into this Agreement.
2. Frontier will disburse up to \$3,000,000 identified in paragraph 24 of the MOU to CETF and will ship up to 50,000 web Wi-Fi capable devices to the community-based organization ("CBO") partners or customers as follows:
  - a. Frontier will ship the web Wi-Fi capable devices to CBOs as it receives written notifications from CETF. These notifications must list the name of the CBO, the address to which devices should be shipped, the number of devices to be shipped.
  - b. Frontier will drop ship an individual device to a qualified new Frontier customer at an address located in the Frontier Service Area when requested by CBOs.
  - c. Frontier will advance funds to CETF the first week of each quarter in the amount indicated in Exhibit A. Frontier agrees to advance two quarters for Quarter 1 (Q3 2016) and 2 (Q4 2016) to support the ramp up of the initiative and CBO activity and advancement based on CBOs signed up in initial launch. Refer to Exhibit A for sample payout.

- d. CETF is responsible for reporting all unused funds to Frontier quarterly. Frontier reserves the right to withhold or adjust the next quarterly payment based on the unused and unencumbered funds.
3. The additional \$50,000 to support workshops and meetings will be paid out to CETF as follows: \$25,000 within 30 days of this executed agreement, \$25,000 by July 1, 2017.
4. CETF is responsible for ensuring that funds and devices identified in paragraph B(2) are used for the purposes described in the MOU, and that the funds identified in paragraph 3 are used to support workshops and meetings for the broadband adoption initiative. CETF shall take reasonable steps such as implementing reasonable accounting, security, and auditing measures to fulfill this responsibility.
5. CETF shall hold meetings at least twice a year with Frontier at mutually agreeable times and places to review and confirm the distribution of devices and funds.
6. The principal contacts for Frontier and CETF for this Agreement are:

Frontier Communications, Inc.	California Emerging Technology Fund
Tressa Bader	Susan Walters
VP/GM, California North	Senior Vice President
9260 E Stockton Blvd Elk Grove, CA 95624	5 Third Street, Ste 320 San Francisco, CA 94103
(916) 691-5582 <a href="mailto:tressa.bader@ftr.com">tressa.bader@ftr.com</a>	415.744.2385 <a href="mailto:susan.walters@cetfund.org">susan.walters@cetfund.org</a>

#### C. Other

1. CETF and Frontier agree that communications regarding the broadband adoption initiative shall identify Frontier as providing the funding and the devices, and shall identify CETF as being the "Administrator". Both parties agree to mutually agree on publically released notices and statements about the program. The agreed upon language for communications is set forth in Exhibit B.
2. This Agreement sets forth the total funding and total number of devices Frontier is required to provide under all provisions of the MOU. Any interest accrued can be used for CETF bank fees and charges. Documentation shall be provided for this use by CETF.
3. All intellectual property produced as a result of this Grant shall be owned by Frontier Communications, Inc. and CETF and disseminated for public benefit. CETF shall be granted a non-exclusive, irrevocable, perpetual and royalty-free

license to copy, distribute, develop derivatives and otherwise use the intellectual property so produced for any purpose associated with the MOU in Exhibit C.

4. Frontier agrees to defend, indemnify, and hold harmless CETF, its present and future officers, directors, trustees, employees, and agents from and against any all claims, liabilities, losses, and expenses (including reasonable attorneys' fees) directly, indirectly, wholly, or partially arising from or in connection with any act or omission of Frontier, its employees, or agents, in connection with performing this agreement, and CETF agrees to defend, indemnify, and hold harmless Frontier, its present and future officers, directors, trustees, employees, and agents from and against any all claims, liabilities, losses, and expenses (including reasonable attorneys' fees) directly, indirectly, wholly, or partially arising from or in connection with any act or omission of CETF, its employees, or agents, in connection with performing this agreement.
5. In implementing the MOU, Frontier will make available to CETF certain customer proprietary or personal information via a secure server, including customer name, address, phone number, account number, services ordered, device serial number, and shipping information. CETF agrees to take all reasonable efforts to prevent access to such information by unauthorized persons.
6. This Agreement expires on June 30, 2018. Upon expiration, CETF shall return any unused funds and devices to Frontier within 30 days.

Accepted on behalf of CETF by:

  
Susan Walters, Senior Vice President

  
President & CEO

Accepted on behalf of Frontier by:

  
Tressa Bader, VP/GM

**Exhibit A**

Proposed payment schedule with the Workshop funding

Q1 2016	\$525,000
Q2	\$500,000
Q3	\$335,000
Q4	\$335,000
Q5 2017	\$360,000
Q6	\$335,000
Q7	\$335,000
Q8 2018	\$325,000
	\$3,050,000



Standard Terms and Conditions of Partnership Agreement  
Between  
Frontier Communications  
and  
California Emerging Technology Fund

**Exhibit B**  
**Communications Guidelines**

The success of the Frontier broadband adoption initiative relies on the support of CETF and the CETF partner organizations. In turn, the CBOs rely on CETF and Frontier to help them strengthen their own efforts to close the Digital Divide by providing marketing and communications resources, program and offer training, and statewide communications. This unique and powerful collaboration with partners helps CETF and Frontier extend their reach to the target communities: the underserved individuals and families who don't currently subscribe to broadband and policymakers.

CETF and Frontier agree that communications regarding the broadband adoption initiative shall identify Frontier as the provider of funding and devices and CETF as the program administrator. Both parties consent to mutually approve each other's public notices and statements about the program.

CETF and Frontier will encourage the CBOs to take advantage of all the support, resources, tools, and expertise CETF and Frontier have to offer. They will also encourage the CBOs to incorporate CETF and Frontier messages and strategies into their own organization's digital literacy and adoption activities and materials.

In order to maintain the integrity of the CETF and Frontier brands and the impact of jointly promoting the CETF-Frontier program to customers and prospects, CETF will indicate through the Grant Agreement that CBOs need to follow the guidelines outlined below.

Programs or Projects Managed by CETF and Funded by Frontier Communications

"The (Project Name) is possible with generous funding from Frontier Communications and managed by the California Emerging Technology Fund (CETF). CETF provides leadership statewide to minimize the Digital Divide by accelerating the deployment of broadband to underserved communities and populations."

*Or for publications and communications where space is limited:*

"Funded by Frontier Communications"

Programs or Projects Funded by Multiple Funders, including Frontier Communications

"The (Project Name) is funded in part by Frontier Communications and managed by the California Emerging Technology Fund (CETF)."

*Or for publications and communications where space is limited:*

"Funded in part by Frontier Communications."

Frontier will provide its logo and other branded resources to the CBOs for use in their educational and marketing materials. CBOs need to follow the logo usage guidelines outlined in the *Frontier Communications Brand Standards* document. If you have questions about these guidelines or require additional direction, please contact Colleen Camicia at [colleen.camicia@ftr.com](mailto:colleen.camicia@ftr.com).

CETF will provide the *Get Connected!* Logo. Questions about communications or use of the CETF logo should be directed to:

Tamara Straus  
Director of Communications  
(415) 744-CETF (2383)  
tamara.straus@cetfund.org

# EXHIBIT C



CALIFORNIA EMERGING TECHNOLOGY FUND  
GRANT AGREEMENT

for

Grantee Partners Implementing Frontier Communications Inc. *Get Connected!* Partnership

This California Emerging Technology Fund (CETF) Grant Agreement ("Grant Agreement") is made and entered into on July 15, 2016 between CETF and human-I-T (Grantee), for the purpose of implementing the Frontier Communications Inc. *Get Connected!* Partnership with CETF. CETF is administering the Grant Agreement and making Grant payments with funds and resources contributed by Frontier pursuant to the Memorandum of Understanding between Frontier and CETF filed in conjunction with Application 15-03-005 approved by the California Public Utilities Commission.

I. General Provisions

- A. This Grant #27290757 ("Grant"), awarded by CETF to human-I-T (Grantee) for the human-I-T Frontier Project, in the amount of \$300,000, for the period beginning July 1, 2016 and ending June 30, 2018, is expressly subject to the Terms and Conditions set forth herein (the "Terms and Conditions").
- B. Grantee confirms that it is an organization that is currently recognized by the Internal Revenue Service (the "IRS") as a public charity under sections 501(c)(3) and 509(a)(1), (2), or (3) of the Internal Revenue Code (the "Code"), and Grantee will inform CETF immediately of any change in, or IRS proposed or actual revocation (whether or not appealed) of its tax status described above.
- C. This Grant may be used only for Grantee's charitable activities described in the proposal submitted by CETF and in related documents prepared submitted by Grantee to CETF. Grantee may not use any Grant funds to lobby or otherwise attempt to influence legislation, to influence the outcome of any public election, or to carry on any voter registration drive. This Grant must be used for the purpose identified above, as described in the Grantee's related documents and correspondence, and may not be expended for any other purposes without prior written approval from CETF. Grantee accepts responsibility for complying with this Grant Agreement's terms and conditions and will exercise full control over the Grant and the expenditure of Grant funds. CETF may request that Grantee return any unexpended Grant funds remaining at the end of the agreement.
- D. Grantee will allow CETF to review and approve the text of any proposed publicity concerning this Grant prior to its release. If this Grant is to be used for a film, video, book, or other such product, CETF reserves the right to request a screening or preview of the product, during the final production stages, before deciding whether or not to be credited as a funder of the product.
- E. CETF reserves the right to discontinue, modify or withhold any payments to be made under this Grant award or to require a total or partial refund of any Grant funds, if it, in its sole discretion, finds such action is necessary: (1) because Grantee has not fully complied with the Terms and Conditions of this Grant; (2) to protect the purpose and objectives of the Grant or any other charitable activities of CETF; or (3) to comply with any law or regulation applicable to the Grantee, CETF, or this Grant.

II. Entire Agreement; Incorporation by Reference

- A. This Grant Agreement shall be governed by the following documents, collectively referred to as the "Grant Agreement":
  - The Terms and Conditions as set forth in this Grant Agreement.
  - The Letter of Interest submitted to CETF and the related Grantee Work Plan, Budget, Activity Timeline, and subsequent questions and answers, as these documents may be modified as a condition of Grant approval.

JUL 25 2016

- Any written communication from CETF setting forth Terms and Conditions of grant approval and/or the scope of any project(s) for which any Grant may be awarded.
  - All applicable generally-accepted accounting practices.
- B. Grantee understands and agrees that it will manage all projects and activities related to the Grant in accordance with the terms of this Grant Agreement.
- C. The contacts for the Grantee and CETF are:

Grantee	California Emerging Technology Fund
Gabe Middleton	Raquel Cinat
Chief Executive Officer	Associate Vice President
2202 South Atlantic Blvd Commerce, CA 90040	714 West Olympic Blvd. Suite #924 Los Angeles, CA 90015
(303) 717-4228 gabe@human-i-t.org	(310) 406-6221 raquel.cinat@cetfund.org

### III. Commitment to Inclusion

- A. Grantee acknowledges that it does not discriminate in its conduct against any person on the basis of race, religion, color, gender, age, national origin or ancestry, marital status, parental status, sexual orientation, disability, or veteran status.
- B. Grantee affirms its commitment to reach out and include in the activities supported by CETF and serve all residents in the Frontier service area.

### IV. Purpose of Award

The purpose of this Grant is to participate in the partnership between CETF and Frontier Communications, Inc. to achieve a total 50,000 new broadband adoptions among low-income households in collaboration with Grantee partners in the Frontier service areas. human-I-T shall be responsible for achieving 5,000 new verified broadband adoptions and shall be compensated \$60 per adoption consistent with the Schedule of Payments (Attachment C) and the relevant provisions herein. Grantee also shall receive computing devices to be distributed to qualified households after a new broadband subscription has been verified consistent with the relevant provisions herein.

### V. Work Plan

#### A. Goals and Objectives

##### Goal 1: Develop Team and Establish Partnerships

- Hire two bilingual Project Coordinators (Spanish and Khmer).
- Train new Project Coordinators and use identified software.
- Introduce Project Coordinators to identified partner organizations.

##### Goal 2: Coordinate Community Events

- Ensure marketing material, event supplies and equipment are secured.
- Develop schedule of events with partner organizations.
- Re-connect with City of LA IT Team for events in Council Districts 8 and 9.

##### Goal 3: Assess Progress and Continue Implementation

- Review lesson learned, best practices, and employee benchmarks to improve systems.
- Follow-up with leads that did not subscribe for Frontier in previous events.
- Continue conducting community events in collaboration with partner organizations.

## B. Outputs and Outcomes

Project Quarter	2016-2017				2017-2018				Total
	Q1 July- Sept	Q2 Oct- Dec	Q3 Jan- Mar	Q4 Apr- Jun	Q5 July- Sept	Q6 Oct- Dec	Q7 Jan- Mar	Q8 Apr- Jun	
Adoptions by Quarter	200	650	650	650	550	650	800	850	5,000
Computer Devices Needed	200	650	650	650	550	650	800	850	5,000

## VI. Restrictions on Use of Funds; Applicable Laws

Under laws of the United States applicable to CETF, the Grant must be expensed for charitable purposes. The Grant is made only for the purposes stated in the Sections III and IV of this Grant Agreement. Further, the Grant funds, as well as any interest earned thereon, may not be expended for any other purpose without prior written approval from CETF. Grantee understands and agrees that the Grant funds not expended or committed for the purposes of the Grant within the period stated in above must be returned to CETF within 30 days of the end of the Grant period. This Grant Agreement shall be governed by the laws of the State of California without regard to principles of conflict of laws.

## VII. Conditions of the Award

### A. Distribution of Funds, Optional Cash Match, Return of Funds and Remedies on Default

1. Upon signing this Grant Agreement, CETF shall make an initial payment of Grant funds to Grantee from funds provided by Frontier Communications, Inc. to support activities through September 2016. Thereafter, CETF shall make quarterly payments during the first month of each quarter, beginning in October 2016, provided that the Grantee submits required reports in a timely manner that are accepted by CETF. See Attachment B list of Report Due Dates.
2. CETF will advance funds provided by Frontier Communications, Inc. in amounts up to the eligible amount set forth in the Schedule of Payments in Attachment C.
3. Interest accumulated in this account may only be used in furtherance of this Grant Agreement and Frontier Communications *Get Connected!* Partnership and shall be documented on financial reports.
4. Grantee may report any cash funds they spend that are in addition to this grant as cash match. This is optional and intended to provide Frontier Communications, Inc. and CETF a true picture of the full cost of broadband adoption. There is a column in the financial section of Quarterly Progress Report where you can enter the optional cash match.
5. Quarterly payments by CETF shall be predicated upon the Grantee providing documentation of the adoptions planned and achieved for each quarter.
6. Grantee shall target all outreach within the Frontier Communications, Inc. service area. If a low-income resident outside the Frontier service area requests assistance on their own volition from the Grantee, Grantee is permitted to serve them by facilitating a broadband adoption and new subscription, including distribution of a device, provided that no more than 5% of those served for which Grantee receives Grant payments are outside the Frontier service area.
7. Grantee is responsible for reporting all unused funds to CETF quarterly. CETF reserves the right to withhold the next quarterly payment based on the unused and unencumbered funds.



8. An amount equal to 5% of the total Grant shall be reserved from the last quarterly payment until the Work Plan has been completed, the Outputs and Outcomes have been achieved, and the Final Report has been submitted and approved. The Final Report from the Grantee shall be due to CETF within 30 days following completion of the Work Plan and conclusion of the Grant Agreement as per I.A above.
9. Grantee shall repay CETF any unused portion of the Grant and/or any portion of the Grant not expended for the purposes of the specific project described in the Investment Proposal and Budget. Repayment shall be made within 30 days following the stated date of completion of the Grant Agreement as stated above or termination of the Grant by CETF as provided in Section VII.A.7.
10. CETF reserves the right to terminate the Grant Agreement at any time and to withhold, suspend or cancel any scheduling funding payments if CETF determines, in its sole discretion, that: (a) the Grantee is not in compliance with the Terms and Conditions of Partnership set forth in this Grant Agreement; and/or (b) that the Grantee's performance in comparison to the Grant Application Investment Proposal and the Deliverables and Outcomes set forth in Section V is not satisfactory. In the event that CETF terminates the Grant as provided herein, the Grantee shall return all unused Grant funds to CETF within the time period specified by CETF upon termination.

**B. Reporting, Record Keeping, Audits, and Site Visits**

1. Grantee agrees to submit electronically Monthly Participant Documentation, Quarterly Progress Report and a Final Report within 30 days of completing the project (electronically and hard copy as prescribed by CETF). Monthly Participant Documentation and Quarterly Reports are due the 7<sup>th</sup> of every month. If the due date falls on a holiday or a weekend, the previous Friday shall be the due date. Grantee agrees to obtain client permission to share information with CETF that is required to validate the broadband subscription.
2. Grantee shall maintain financial records to clearly account for CETF and optional match funds and proper expenditures in furtherance of the purposes of the Grant. The Grantee shall retain and maintain adequate records to substantiate such expenditures according to generally accepted accounting practices. The Grantee shall retain original substantiating documents related to the specific Grant expenditures, especially a written rationale for allocated costs, and make these records available to CETF upon request. And, the Grantee shall make financial records available to CETF within two business days of notice for review and audit.
3. Grantee is strongly encouraged to retain all financial records relative to CETF for at least four years after completion of the grant, conclusion of the Grant Agreement, and compliance with the Terms and Conditions herein.
4. Grantee shall submit to CETF the most recent independent Annual Audit before the first quarterly payment is released. Grantees that do not have a recent Annual Audit shall make arrangements for an Annual Audit on a timetable and in a form acceptable to CETF.
5. CETF may verify any information contained in any of the Grantee's Reports by interviewing Grantee's personnel or stated beneficiaries of the Grant. CETF may monitor and conduct an evaluation of all operations relating to the Grant, including site visits from CETF staff, Directors, and/or consultants to observe any activities relating to the Grant.
6. Grantee is strongly encouraged to retain all financial records relative to CETF for at least four years after completion of the grant, conclusion of the Grant Agreement, and compliance with the Terms and Conditions herein.
7. Grantee will provide promptly such additional information, reports and documents as CETF may request and will allow CETF and its representatives to have reasonable access during regular business hours to files, records, accounts or personnel that are associated with this grant, for the purpose of making such financial reviews, verifications or program evaluations as may be deemed necessary by CETF.

#### C. Grant Announcement and Communications Materials

1. Grantee agrees to acknowledge support from CETF and Frontier Communications, Inc. in all appropriate materials and events. Grantee may announce receipt of this Grant; however, any public announcements intended for media or public purposes must be coordinated with and approved by CETF prior to release.
2. Grantee agrees to acknowledge CETF and Frontier Communications, Inc. as per Attachment D for its support in all communications connected with the Grant, which includes but is not limited to websites, media releases, public announcements, newsletters, event invitations and programs, emails, stories in the media, and annual reports. Grantee shall provide to CETF final copies of all printed materials as part of the Quarterly Progress Reports or Final Report.
3. CETF expects all grantees to use the Frontier Communications, Inc. *Get Connected!* branding standards when developing and publishing educational materials. Any exceptions must be provided for by CETF in writing.

#### D. Prohibited Uses

Grantee may not use any of the funds from this award to: (a) carry on propaganda, or otherwise attempt to, influence legislation (within the meaning of Section 4945(d)(1) of the Code), subject to the exceptions in Treasury Regulations Section 53.4945-2(a)(6), (b) influence the outcome of any specific public election, or to carry on, directly or indirectly, any voter registration drive within the meaning of Section 4945(d)(2) of the Code, (c) make any grant which does not comply with Section 4945(d)(3) or (4) of the Code, or (d) undertake any activity for any purpose other than one specified in Section 170(c)(2)(B) of the Code.

#### E. Other

1. Grantee agrees to participate in a learning community with other CETF Grantees to share progress reports, lessons learned and best practices which include in person one day trimester meeting in either the Sacramento or Los Angeles.
2. Grantees are permitted to seek reimbursement for travel for the Learning Community meetings.
3. Grantee agrees to exercise prudence with travel and lodging expenditures consistent with expense reimbursement guidelines used by CETF.
4. Grantee agrees to have policies on place to cover Code of Ethics, Conflict of Interest, Cost Allocation, Drug-Free Work Place, Financial Management and Accounting Procedures, Privacy, Procurement, Prohibiting Gifts and Political Activity, Separation of Duties, Travel Expenses.
5. Grantee shall reach out to people with disabilities in their community and identify at least one organization that serves people with disabilities with which the Grantee can partner. CETF will assist the Grantee with contacts where needed. Grantee is expected to participate in 3 webinars about accessibility to increase their organization's capacity to serve people with disabilities. CETF will provide a list of the eligible webinars within six months of the start date for the grant. A Grantee may be excused from the webinars if it has expertise or extensive experience providing services to the disability community.
6. If Grantee is the Administrator for a collaborative project or program, CETF expects Grantee to make timely payments to participating partners that are to be paid for work completed as part of the Grant. Timely payments are defined as payments received by the participating partners from the Grantee within a week of the Grantee receiving payment from CETF.

#### VIII. Indemnification

Grantee hereby irrevocably and unconditionally agrees, to the fullest extent permitted by law, to defend, indemnify, and hold harmless CETF, its present and future officers, directors, trustees, employees, and



agents from and against any all claims, liabilities, losses, and expenses (including reasonable attorneys' fees) directly, indirectly, wholly, or partially arising from or in connection with any act or omission of Grantee, its employees, or agents, in applying for or accepting the grant, in expending or applying the grant funds or in carrying out any project or program to be supported by the Grant, except to the extent that such claims, liabilities, losses or expenses arise from or in connection with any act or omission of CETF, its officers, directors, trustees, employees, and agents.

IX. Intellectual Property

All intellectual property produced as a result of this Grant shall be owned by CETF and disseminated for public benefit. Grantee shall be granted a non-exclusive, irrevocable, perpetual and royalty-free license to copy, distribute, develop derivatives and otherwise use the intellectual property so produced for any purpose.

X. Management and Organizational Changes

The Grantee agrees to provide immediate written notice to CETF if significant changes or events occur during the term of this award which could potentially impact the progress or outcome of the grant, including, without limitation, changes in the Grantee's management personnel or losses of funding.

XI. Safety and Security of Computing Devices and Equipment

Grantee is responsible for the safety and security of all computing devices provided by Frontier Communications, Inc. Grantee receiving one or more devices for the purpose of demonstration, Digital Literacy orientation and/or training and incenting broadband adoptions shall comply with the following measures to ensure safety and security of the devices:

- Maintain an accurate inventory record of computing devices that is available for inspection anytime by CETF, Frontier Communications, Inc., or an auditor.
- Store computing devices in secure safe location that deters thief and contributes to devices remaining in new and working condition.
- Maintain sufficient reserves or an insurance policy to cover the value of devices and agree to reimburse CETF for any devices that are damaged, lost, and/or stolen.
- Ensure any device used for demonstration purposes is maintained in a condition acceptable for donation to a new subscriber, which may require a schedule of replacement or rotation of devices to ensure that all devices are in good working condition to be donated to a new subscriber.
- Donate devices only to customers who qualify and for whom the documentation has been provided by the customer or Frontier Communications, Inc.

XII. Insurance and Bonding

Grantee is required to establish an adequate reserve documented in a manner specified by CETF or provide proof of insurance sufficient to cover the value of computing devices to be received by the Grantee. CETF may require proof of requisite insurance and bonding if it is relevant to the project or program being funded. If proof of insurance is required, it is listed below.

- Directors and Officers
- General Liability (commensurate with the value of the organization)
- Coverage for Devices (required prior to the first payment at a value of \$180 per device)

Accepted on behalf of human-I-T by:

GABE MIDDLETON  
Printed Name

Gabe M  
Signature

CEO  
Title

7/20/16  
Date

Agreed to and Acknowledged on behalf of the California Emerging Technology Fund by:

Sunne Wright McPeak  
Sunne Wright McPeak  
President and CEO

July 14, 2016  
Date

**GRANT AGREEMENT**  
**Standard Terms and Conditions Of Grant Agreement**  
**Between**  
**California Emerging Technology Fund**  
**and**  
**human-I-T Grant Agreement # 27290757**

**Attachment A**  
**Work Plan**

Goals	Activities	Start Date	Completion Date	Assumptions (including number of completed applications, etc.)	Anticipated Output (reasonable outcomes like # of sign-ups at events, etc.)	Dates Outputs Achieved	Anticipated Outcomes (# of Adoptions)	Dates Outcomes Achieved
1) Develop Team and establish partnerships	Hire 2 bilingual Project Coordinators (Spanish & Khmer)	7/1/2016	8/1/2016	We will find capable coordinators to execute strategic plan. 3 current human-I-T employees will be working on project as well (5 employees total).	2 people hired	8/1/2016	0	N/A
	Train new coordinators on internal systems and procedures. We will use asana for central and google docs as main software suites to complete and organize project.	8/1/2016	8/15/2016	human I T's internal systems are sufficient for program tracking and event coordination.	2 people trained	8/15/2016		N/A
	Introduce newly hired coordinators to program partners and CBOs (Community Based Organizations). CBOs currently include: YMCA Long Beach, EveryOne On YPI, Delta City Long Beach, Bicycle Casino, Los Angeles Housing Authority, USC Long Beach Unified School District and the cities of Bell and Commerce. We also have a large corporate donor base of over 400 businesses across CA that we can utilize to help us market our Frontier offering.	8/1/2016	8/30/2016	Initial CBOs and partners have been identified for introductions.	2 people introduced to partners	8/30/2016		N/A
	Research and find more CBOs to partner with and help us market. Use current network to find more organizations that help identify qualified recipients. Partner with other YMCA chapters and local school districts.	7/1/2016	9/30/2016	We have not identified all relevant CBOs capable of partnering with human-I-T on Frontier Grant.	10 more capable partners able to identify and provide eligible clientele	9/30/2016		
2) Coordinate community events	Hold first event(s) with existing and new partners. We plan on holding sign-up events (with booths) at schools, our many existing computer distribution events, and events led by our partnered organizations. We currently have 500 computer and little more requests through our online form that we will serve as our initial leads. We will also advertise our form through our \$10,000/month google grants account.	9/1/2016	9/30/2016	Capable sites are identified for sign-up events, approximately 2/3 of leads will be closed. Each Project Coordinator will be equipped with tablets to check recipient eligibility.	300 client leads captured	9/15/2016	650	9/30/2016
	Follow-up with leads who didn't sign up with Frontier during previous events.	10/1/2016	10/15/2016	1/3 of leads will not follow-up properly with Frontier, approximately 100 leads will need follow-up.	30 renewed leads	10/15/2016		
	Hold next round of sign-up events in collaboration with various CBO partners.	10/1/2016	12/31/2016	Capable sites are identified for sign-up events, approximately 2/3 of leads will be closed (200 sign-ups to date).	600 client leads captured	12/31/2016		12/31/2016
	Research and find more CBOs to partner with. Focus on California State University Long Beach and Long Beach City College to find leads and interns. Sign up recipients through OurCycle LA Program and residents located across the various low income housing developments. OurCycle LA will generate another 2,000 lead from CD10, 9 & 8.	10/1/2016	12/31/2016	We have not identified all relevant CBOs capable of partnering with human-I-T on Frontier Grant. CD10, 9 & 8 are in Frontier areas.		12/31/2016		
3) Assess progress and plans. Continue project implementation	Review of Best Practices and Employee Benchmarks to improve current systems and make adjustments.	1/3/2017	1/15/2017	Adjustments need to be made in order to improve (850 sign-ups to date).	Improved systems, better targeted marketing.	1/15/2017	650	3/31/2017
	Follow-up with leads who didn't sign up with Frontier during previous events.	1/3/2017	1/15/2017		100 renewed leads	1/15/2017		
	Hold next round of sign-up events in collaboration with various CBO partners. Focus on partnership with the Bicycle Casino. No to hold community events at the casino. Bicycle Casino has expressed interest in covering the cost of subscription for first year for hundreds of residents in the South East Community.	1/16/2017	3/31/2017	Capable sites are identified for sign-up events, approximately 2/3 of leads will be closed (200 sign-ups to date).	600 client leads captured	3/31/2017		
	Research and find more CBOs to partner with. Focus on California State University Long Beach to find leads and interns. Sign up recipients through OurCycle LA Program and residents located across the various low income housing developments.	1/3/2017	3/31/2017	We have not identified all relevant CBOs capable of partnering with human-I-T on Frontier Grant. We can solicit recipients through the OurCycle LA program.	3 more capable partners able to identify and provide eligible clientele	3/31/2017		
4) Follow-up with event attendees. Hold next round of events	Follow-up with leads who didn't sign-up with Frontier during previous events.	4/1/2017	4/15/2017	1/3 of leads will not follow-up properly with Frontier, approximately 300 leads will need follow-up (1500 sign-ups to date).	100 renewed leads	4/15/2017	650	6/30/2017
	Hold next round of sign-up events in collaboration with various CBO partners. Focus on developing existing partnerships with the City of Commerce, The Citadel and the Commerce Casino.	4/1/2017	6/30/2017	Capable sites are identified for sign-up events, approximately 2/3 of leads will be closed (200 sign-ups to date).	900 client leads captured	6/30/2017		

Goals	Activities	Start Date	Date Completed	Assumptions including numbers of completed applications, etc.	Anticipated Outputs Intermediate outcomes like # of people trained # of people at events, etc.	Dates Outputs Achieved	Anticipated Outcomes (# of Adoptions)	Dates Outcomes Achieved
1) Review best practices Follow up, Hold next round of events	Review of Best Practices and Employee Benchmarks to improve current systems and make adjustments	7/1/2017	7/15/2017	Adjustments need to be made in order to improve close rate (2150 sign ups to date)	Improved systems, better targeted marketing	7/15/2017	550	9/30/2017
	Follow up with leads who didn't sign up with Frontier during previous events	7/1/2017	7/15/2017	1/3 of leads will not follow-up properly with Frontier; approximately 300 leads will need follow up	100 renewed leads	7/15/2017		
	Hold next round of sign-up events in collaboration with various CBO partners	7/15/2017	9/30/2017	Capable sites are identified for sign-up events approximately 2/3 of leads will be closed; lower amount of leads will be captured due to summer months	750 client leads captured	9/30/2017		
2) Follow up Hold next round of events	Follow up with leads who didn't sign-up with Frontier during previous events	10/1/2017	10/15/2017	1/3 of leads will not follow-up properly with Frontier; approximately 300 leads will need follow up (2700 sign-ups to date)	100 renewed leads	10/15/2017	650	6/30/2017
	Hold next round of sign-up events in collaboration with various CBO partners	10/15/2017	12/31/2017	Capable sites are identified for sign-up events approximately 2/3 of leads will be closed.	950 client leads captured	12/31/2017		
3) Review best practices Follow up Hold next round of events	Review of Best Practices and Employee Benchmarks to improve current systems and make adjustments	1/3/2018	1/15/2018	Adjustments need to made to improve (3150 sign ups to date)	Improved systems better targeted	1/15/2018	800	3/31/2018
	Follow up with leads who didn't sign up with Frontier during previous events.	1/3/2018	1/15/2018	1/3 of leads will not follow-up properly with Frontier; approximately 500 leads will need follow up	200 renewed leads	1/15/2018		
	Hold next round of sign-up events in collaboration with various CBO partners	1/3/2018	3/1/2018	Capable sites are identified for sign-up events, approximately 2/3 of leads will be closed	1000 client leads captured	3/1/2018		
4) Final follow-up Hold last round of events	Follow up with leads who didn't sign up with Frontier during previous events.	4/1/2018	4/30/2018	1/3 of leads will not follow-up properly with Frontier; approximately 800 leads will need follow up	300 renewed leads	4/30/2018	850	6/30/2018
	Hold next round of sign-up events in collaboration with various CBO partners	4/1/2018	6/30/2018	Capable sites are identified for sign up events approximately 2/3 of leads will be closed (3950 sign ups to date)	1000 client leads captured	6/30/2018		

Standard Terms and Conditions of Grant Agreement  
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California Emerging Technology Fund  
and  
human-I-T Grant Agreement # 27290757

Attachment B  
**Schedule of Report Due Dates**

**Frontier Communications *Get Connected!* Grantee Reporting**

Naming protocols for reports are as follows: 3-4 letter abbreviation for your organization, the quarter or the date the report covers (2 character year and 2 character month) and the abbreviation for the report name as shown below. EX: CETF\_1706\_PD is the naming protocol for the CETF Participant Documentation report for June 2017.

<b>July 7, 2016 not applicable</b>	<b>July 14, 2016 not applicable</b>
Participant Documentation ORG_1306_PD	Quarterly Progress Report with Financial Detail ORG_Q1_QPR
<b>AUG 7, 2016</b>	
Participant Documentation ORG_1307_PD	
<b>Sept 7, 2016</b>	
Participant Documentation ORG_1308_PD	
<b>Oct 7, 2016</b>	<b>Oct 14, 2016</b>
Participant Documentation ORG_1309_PD	Quarterly Progress Report with Financial Detail ORG_Q2_QPR
<b>Nov 7, 2016</b>	
Participant Documentation ORG_1310_PD	
<b>Dec 7, 2016</b>	
Participant Documentation ORG_1311_PD	
<b>Jan 7, 2017</b>	<b>Jan 14, 2017</b>
Participant Documentation ORG_1312_PD	Quarterly Progress Report with Financial Detail ORG_Q3_QPR
<b>Feb 7, 2017</b>	
Participant Documentation ORG_1401_PD	
<b>Mar 7, 2017</b>	
Participant Documentation ORG_1402_PD	
<b>Apr 7, 2017</b>	<b>Apr 14, 2017</b>
Participant Documentation ORG_1403_PD	Quarterly Progress Report with Financial Detail ORG_Q4_QPR
<b>May 7, 2017</b>	
Participant Documentation ORG_1401_PD	
<b>Jun 7, 2017</b>	
Participant Documentation ORG_1402_PD	

This reporting schedule continues exactly the same until the project has completed and the Close-Out process with CETF has been completed. If the due date falls on a weekend or holiday, the reports are due the work day prior to the due date.

## GRANT AGREEMENT

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### Attachment C Schedule of Payments and Optional Match

Quarterly Payment Scheduled	Month of Payment	Cumulative Adoptions Achieved by 1 <sup>st</sup> Day of Payment Month	CETF Payment	Org Match (optional)
Q1	July 2016		\$37,500	
Q2	October 2016	200	\$37,500	\$16,000
Q3	January 2017	850	\$37,500	\$16,000
Q4	April 2017	1,500	\$37,500	\$16,000
Q5	July 2017	2,150	\$37,500	\$16,000
Q6	October 2017	2,700	\$37,500	\$16,000
Q7	January 2018	3,350	\$37,500	\$19,000
Q8	April 2018	4,150	\$22,500	\$16,000
Final Payment (Final Report Submitted and Approved)	July 2018	5,000	\$15,000	
<b>Total</b>		<b>5,000</b>	<b>\$300,000</b>	<b>\$115,000</b>

## GRANT AGREEMENT

Standard Terms and Conditions of Grant Agreement  
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California Emerging Technology Fund  
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### Attachment D Communications

Section VII C of the Terms and Conditions of Partnership of the Grant Agreement require that: "Grantee agrees to acknowledge CETF for its support in all communications connected with the Grant, which includes but is not limited to websites, newsletters, media releases, public announcements, event invitations and programs, emails, stories in the media, and annual reports. Grantee shall provide to CETF final copies of all printed materials as part of the Quarterly Progress Reports or Final Report."

The purpose of Attachment D is to set forth the manner in which the Grantee may comply with Section VII C in acknowledging the support from the Frontier *Get Connected!* Partnership with the California Emerging Technology Fund (CETF). Grantee shall make a good faith effort to comply with Section VII C in all communications and may use the following as guidelines for acknowledgement of support from Frontier and CETF:

#### Programs or Projects Managed by CETF and Funded by Frontier Communications

"The (Project Name) is possible with generous funding from Frontier Communications and managed by the California Emerging Technology Fund (CETF). CETF provides leadership statewide to minimize the Digital Divide by accelerating the deployment of broadband to underserved communities and populations."

*Or for publications and communications where space is limited:*

"Funded by Frontier Communications."

#### Programs or Projects Funded by Multiple Funders including Frontier Communications

"The (Project Name) is funded in part by Frontier Communications and managed by the California Emerging Technology Fund (CETF)."

*Or for publications and communications where space is limited:*

"Funded in part by Frontier Communications."

Frontier Communications will provide its logo other branded resources to grantees for use in educational materials.

CETF will provide the *Get Connected!* logo.

Questions about communications or use of the Frontier Communications logo should go to:

Colleen Camicia  
Marketing Manager  
916-691-5663  
[colleen.camicia@FTR.com](mailto:colleen.camicia@FTR.com)

Questions about communications or use of the CETF logo should be directed to:

Tamara Straus  
Director of Communications  
(415) 744-CETF (2383)  
[tamara.straus@cetfund.org](mailto:tamara.straus@cetfund.org)

# EXHIBIT D





May 6, 2018

Mr. Gabe Middleton  
CEO  
human I-T  
2202 South Atlantic Blvd  
Commerce, California 90040

Dear Gabe:

The purpose of this letter is to memorialize the agreement between the California Emerging Technology Fund (CETF) and human I-T (h I-T) and to serve as the second Amendment to the Grant Agreement Number (26914649) modifying the outcomes for your grant: the Work Plan; Outcomes; Attachment C Payment Schedule; and Attachment D Schedule of Reports.

This Amendment reflects our previous discussions to modify the Grant Agreement to increase the number of adoptions h I-T will achieve as of May 2018. The grant end date remains the same since the first Amendment extended the grant end to December 31, 2020. The revised Payment Schedule, Attachments C, now reflects the increase in adoptions by 19,550 for a total of 24,550. The grant amount will increase by an amount based on the existing Grant Agreement amount of \$60 per adoption for an increase of \$1,173,000 for a total grant of \$1,473,000. The outcomes are distributed throughout the timeframe in the extension as are the payment increases.

This significant increase reflects the Memorandums of Understanding (MOU) CETF and h I-T have entered with the Long Beach and Torrance Unified School Districts. Both these districts have significant numbers in the Frontier Communications service area. Additionally it is in recognition of the MOU CETF is developing with LAUSD and human I-T is developing with Santa Monica Unified School District that a portion of the eligible households will be in the Frontier service area.

This Amendment is subject to Frontier Communications complying with the public benefit obligations in the Memorandum of Understanding with CETF to provide a total of \$3 million and 50,000 Internet-enabled devices (subsequently agreed to by Frontier and CEO as Chromebooks) to support grantees achieve 50,000 adoptions (verified subscriptions) by low-income households.

If this Amendment is acceptable to you, please sign and date below.

Sincerely,

A handwritten signature in blue ink, reading "Sunne Wright McPeak", written over a horizontal line.

Sunne Wright McPeak  
President and CEO

Accepted on behalf of human I-T:

A handwritten signature in blue ink, reading "Gabe Middleton", written over a horizontal line.

Signature

05/21/18

Date

Gabe Middleton

Name

CEO

Title

**FRONTIER RESPONSE  
EXHIBIT D**

# GRANT AGREEMENT

Standard Terms and Conditions of Grant Agreement  
Between  
California Emerging Technology Fund  
and  
human-I-T

Grant Agreement #27290757  
Amendment 2

## Attachment C Schedule of Payments and Optional Match

Revised May 6, 2018

Quarterly Payment Scheduled	Month of Payment	Cumulative Adoptions Achieved by 1 <sup>st</sup> Day of Payment Month	CETF Payment	Org Match (optional)
Paid to date		888	\$ 112,500	
Q8	May-18	1,670	\$ 170,500	
Q9	Jul-18	4,041	\$ 170,000	
Q10	Oct-18	6,530	\$ 170,000	
Q11	Jan-19	9,410	\$ 170,000	
Q12	Apr-19	12,290	\$ 170,000	
Q13	Jul-19	15,270	\$ 170,000	
Q14	Oct-19	18,520	\$ 170,000	
Q15	Jan-20	21,670	\$ 100,000	
Final Payment (Final Report Submitted and Approved)	Apr-20	24,550	\$ 70,000	
		<b>24,550</b>	<b>\$ 1,473,000</b>	

# **EXHIBIT E**

## **DECLARATION OF JACQUELINE KINNEY**

I, Jacqueline Kinney, hereby declare:

1. I am the Vice President of State Government Affairs – California for Frontier Communications Corporation ("Frontier"), a position I have held since June 2016. I have participated in several discussions with representatives of the California Emerging Technologies Fund ("CETF") regarding the implementation of the Memorandum of Understanding ("MOU") adopted in Decision 15-12-005, the decision which approved Frontier's acquisition of Verizon California, Inc. I am familiar with the facts surrounding CETF's Petition for Modification submitted on May 29, 2018. If called as a witness, I could and would competently testify as to the matters stated herein from my own personal knowledge, except as to any matters that I state upon information and belief, and, as to those matters, I am informed and believe them to be true.

2. Frontier will continue to offer the low-income broadband service in the Memorandum of Understanding and Agreement ("MOU") until June 30, 2019, as described in Frontier's response.

3. Upon information and belief, Frontier has offered since December 2016 the FCC's Lifeline broadband discounts to California consumers.

4. In 2017, Frontier and CETF attempted to negotiate an amendment to the MOU to reflect a new low-income broadband plan that does not contain a Lifeline eligibility requirement.

5. Frontier elected to offer a new low-income broadband plan, called Frontier Fundamentals, and offers it today. This plan is available to low-income households and does not require enrollment in Lifeline.

6. Frontier provided CETF with a framework of its broadband deployment plan on November 3, 2016, and a more detailed plan on December 5, 2016. The more detailed plan

included a slide deck of the “Frontier Broadband Infrastructure Plan” for the five categories of broadband commitments adopted in the CPUC transaction decision, with expected 2017 deployment by category and service area, and grouped by county. This included a public slide deck and, upon execution of a Nondisclosure Agreement, a confidential slide deck, with the confidential version showing actual numbers of households in each identified service area. On March 15, 2017, Frontier emailed CETF updated versions of both the public and confidential “Frontier Broadband Infrastructure Plan.”

7. On July 22, 2016, the parties entered into an agreement to implement the MOU (“Implementation Agreement”), which is attached to Frontier's response as Exhibit B. Upon information and belief, Frontier provided the funds and devices consistent with the terms of the Implementation Agreement. Frontier agreed to pay community-based organizations (“CBOs”) \$60 per qualified low-income broadband adoption up to \$3,000,000.

8. Upon information and belief, CETF has approximately \$750,000 in unused funds that Frontier provided.

9. Frontier has voluntarily chosen to continue this interim low-income broadband service until June 30, 2019, and Frontier is permitting CETF to retain its unused funds and continue to give CBOs \$60 per adoption through that date.

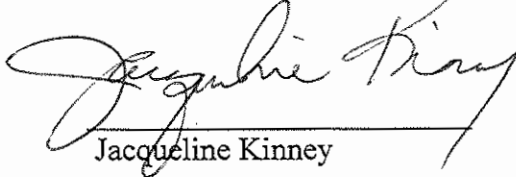
10. Upon information and belief, Frontier has deployed Wi-Fi service to ten public locations as set forth in the MOU.

11. By the end of April 2017, Frontier provided CETF with a list of more than 50 potential Wi-Fi locations. Later in 2017, upon information and belief, CETF approved many of those locations, and Frontier now has deployed Wi-Fi service to 17 public locations. Frontier is continuing to work with CETF to identify more potential Wi-Fi locations to meet the 50 required under the MOU.

12. At several Wi-Fi hotspot locations, Frontier has donated devices to help transform community centers into public computer centers and engaged with local leaders and public officials to promote usage. These include centers in Desert Hot Springs, Coachella Valley, Los Angeles, and Exeter. Frontier also is exploring partnerships with potential applicants for newly available California Advanced Services Fund Broadband Adoption grants whereby a Frontier Wi-Fi hotspot location could potentially be used as a venue for a digital literacy or another adoption program.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 28th of June, 2018, at Sacramento, California.



Jacqueline Kinney