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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 Long Distance LLC (U5732C), and Newco West Holdings LLC for Approval of Transfer of Control Over Verizon California, Inc. and Related Approval of Transfer of Assets and Certifications

Application 15-03-005
(Filed March 18, 2015)

**VERIFIED RESPONSE OF
FRONTIER COMMUNICATIONS CORPORATION
AND FRONTIER COMMUNICATIONS OF AMERICA, INC. (U 5429 C)
TO THE ORDER TO SHOW CAUSE**

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Attorneys for Frontier Communications Corporation and Frontier Communications of America, Inc.

November 2, 2018

1 Frontier Communications Corporation and Frontier Communications of America, Inc.
2 (U5429C) (collectively, “Frontier”) submit this response to the Order to Show Cause dated
3 October 25, 2018 (“OSC”). Frontier provides this response without waiving its rights to present
4 additional information to defend against the allegations in the OSC, including at the anticipated
5 hearing, through supplemental pleadings or testimony, and through any other appropriate vehicle
6 in this proceeding. Frontier provides this response based on its understanding of the allegations in
7 the OSC, the letter attached to the OSC, and the Petition for Modification filed by the California
8 Emerging Technology Fund (“CETF”) on May 29, 2018 in this proceeding. The OSC does not
9 provide a detailed description of the alleged violations, and the schedule in the OSC afforded
10 Frontier limited time to provide this response. Nevertheless, Frontier provides this timely
11 response based on a review of the known facts and its best efforts to understand the allegations in
12 the OSC.

13 **I. INTRODUCTION**

14 The OSC appears to be based on a letter from Community Based Organizations (“CBOs”)
15 that have partnered with CETF, who erroneously claim Frontier violated the Memorandum of
16 Understanding and Agreement (“MOU”) the Commission approved in D.15-12-005. The
17 principal claim, as summarized on page 2 of the OSC, is that “Frontier promised to provide \$3M
18 in cash and 50,000 Internet-enabled computing devices” to CETF, but failed to do so. As a matter
19 of fact and law, and based on the plain language of Frontier’s commitments and obligations in the
20 MOU, this statement is false. In the MOU, Frontier did not agree to provide \$3 million in
21 unrestricted cash and 50,000 unrestricted Wi-Fi capable devices to CETF; rather, the MOU
22 required Frontier to offer a specific, agreed-upon low-income broadband service to wireline voice
23 customers, and to take the lead to identify and solidify funding of “up to” \$3 million to be
24 available through grants to CBOs and to distribute, during a specified timeframe, 50,000 devices
25 for consumers in its service territory who subscribe either to Frontier’s or a competitor’s low-
26 income service offering.

27 Frontier did exactly what it agreed to do: (1) it offered the low-income broadband services
28 identified in the MOU—Frontier has actually offered multiple low-income products in an effort to

1 encourage adoption; (2) it made funding of up to \$3 million available and provided that funding to
2 the CBOs in accordance with the terms (\$60 per low income customer adoption) agreed upon by
3 CETF; and (3) it provided Wi-Fi capable devices to subscribers of low-income service offerings in
4 the manner directed and agreed upon by CETF. In fact, Frontier has performed beyond its
5 obligations: CETF has on hand today \$714,720 in unencumbered cash Frontier paid to it beyond
6 the funding CETF is entitled to under its agreement with Frontier, and the CBOs have 2,414
7 Frontier-supplied unencumbered devices in inventory (this represents more than 1/2 of the total
8 devices Frontier has provided to CBOs since August 2016) that have not been distributed to
9 consumers subscribing to low income service offerings. Given these facts, there is no basis for
10 CETF's claim that Frontier is in breach of the MOU.

11 Frontier supports CETF's overall mission and applauds its efforts to advance broadband
12 adoption in California. Consistent with this view, Frontier has operated at all times in good faith
13 and in accordance with the terms of its agreement. Despite Frontier's considerable efforts and
14 financial support for adoption, and its collaboration with CETF, the low-income broadband
15 offering established by the MOU has not been as successful in attracting low-income customers as
16 Frontier and CETF had anticipated. Frontier agrees that outcome is disappointing, and, therefore,
17 is continuing its efforts to provide low-income broadband offerings that are more attractive to the
18 targeted communities. The results of Frontier's and CETF's efforts to date reflect the difficulties
19 of promoting broadband adoption and are not the consequence of any malfeasance on Frontier's
20 part. Further, the other facts of Frontier's compliance with the MOU, as set forth in section II(C),
21 below, do not support any violation of Commission decisions or rules. This OSC should be
22 dismissed so that Frontier can return to the business of advancing its broadband network and
23 working to encourage low-income consumers to subscribe to broadband services.

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1 **II. DISCUSSION**

2 **A. Issue Presented**

3 The issue presented by the OSC is whether Frontier complied with the MOU and the
4 associated Implementation Agreement between Frontier and CETF.¹ If Frontier did so, then it did
5 not violate D.15-12-005 or any other decision, rule, or law. The specific questions presented by
6 the OSC are: (1) whether and to what extent Frontier was required to pay \$3 million to CETF
7 and/or its CBO partners; and (2) whether and to what extent Frontier was required to provide
8 50,000 “Wi-Fi capable devices” to CETF and/or its CBO partners.

9 The OSC also refers to Rule 1.1, but Rule 1.1 has no bearing on this matter, which is a
10 straightforward determination of whether Frontier complied with the express terms of a written
11 agreement. Specifically, there are no factual assertions in the OSC or in any of CETF’s
12 representations that suggest Frontier has misrepresented the facts or the law, or in any way misled
13 the Commission.

14 **B. Background**

15 The relevant facts underlying this matter are as follows:

16 1. Frontier and CETF entered into the MOU, which sets forth a low-income
17 broadband offer that both parties believed would be attractive to low-income consumers and
18 improve adoption rates among the targeted low-income population.² This agreed-upon program
19 included three major components:

20 (a) A commitment to offer an affordable low-income broadband product for \$13.99 per
21 month with a download speed of up to 7 Mbps, available only to Lifeline customers
22 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].”³

23 (b) The offering of no more than 50,000 Wi-Fi capable devices for a period of 2 years,
24 available to any Lifeline customer in Frontier’s territory and administered by a non-
25

26 ¹ The MOU is attached hereto as Exhibit A, and the Implementation Agreement is attached as Exhibit B.

27 ² In compliance with Commission Rule 12.6, Frontier is bound not to reveal settlement discussions or
communications that led to the agreement in the MOU. The terms of the MOU speak for themselves and
reflect Frontier’s and CETF’s judgment that the terms of the MOU were in the public interest.

28 ³ MOU, at p. 3, ¶¶ 4, 18. This element of the MOU does not appear to be part of the OSC, as it is not
addressed in the CBO letter attached to the OSC.

1 profit partner.⁴

2 (c) Funding of “up to \$3,000,000” to be available through grants to CBOs for their
3 support in administering the program.⁵

4 2. As explained in the MOU, the purpose of this program was to encourage broadband
5 adoption for Lifeline-eligible consumers and it reflected an agreed-upon aspirational goal of
6 200,000 Lifeline broadband customers; it did not mandate the enrollment of a certain number or
7 percentage of customers.⁶

8 3. In October 2015, the parties filed a Joint Motion with the Commission to Modify
9 Positions in Proceeding to Reflect Memorandum of Understanding Between the Parties (“Joint
10 Motion”) to inform the Commission of the MOU. This Joint Motion makes clear that the agreed-
11 upon program in the MOU resolved all of CETF’s concerns: “CETF agrees that its public benefit
12 concerns regarding the [t]ransaction have been resolved, and it hereby removes its request for
13 adoption of all the commitments previously identified in its testimony and briefs in this
14 proceeding to the extent they are different than the terms of the MOU.”⁷

15 4. The Commission approved the MOU in D.15-12-005 and the transaction closed in
16 April 2016.

17 5. Thereafter, on July 22, 2016, the parties entered into the Implementation
18 Agreement, which set forth, in detail, how the MOU was to be implemented and how funding and
19 devices were to be supplied. Specifically, in the Implementation Agreement:

20 (a) Frontier and CETF agreed that Frontier would pay CBOs \$60 per qualified
21 adoption up to \$3,000,000 and also distribute up to 50,000 Wi-Fi capable devices
22 to the CBO for each new Lifeline broadband adoption in Frontier’s territory.⁸
Frontier also agreed to pay CETF an additional \$50,000—beyond what the MOU
required—to support workshops and meetings.

23 (b) Frontier and CETF agreed that these funds and devices would be provisioned
24 periodically as Lifeline-eligible households enrolled in the service. The
Implementation Agreement includes a sample exhibit of quarterly payouts, and
authorizes Frontier to deviate from this sample payout by withholding or adjusting

25 ⁴ MOU, at pages 7-8, ¶¶ 20-22. The MOU makes clear that Frontier’s obligation to fund Wi-Fi capable
26 devices was only for two years: The devices “will be distributed over a two (2) year period beginning in
July 2016” MOU, at p. 8, ¶ 22.

27 ⁵ MOU, at pp. 8-9, ¶ 24 (emphasis added).

⁶ MOU, at p. 7, ¶ 17, 19 (explaining “aspirational target”).

28 ⁷ Joint Motion, at pp. 1-2.

⁸ Implementation Agreement, at p. 1, § (B)(2).

1 payments if the number of Lifeline subscriber adoptions was not consistent with the
2 projected payout amounts: “CETF is responsible for reporting all unused funds to
3 Frontier quarterly, [and] Frontier reserves the right to withhold or adjust the next
4 quarterly payment based on the unused and unencumbered funds.”⁹

5 6. Further, the Implementation Agreement is clear that upon its expiration, CETF
6 shall return any unused funds and devices to Frontier within 30 days.”¹⁰ This provision alone
7 demonstrates that the statement on page 2 of the OSC—that “Frontier promised to provide \$3M in
8 cash and 50,000 Internet-enabled computing devices”—is incorrect. For this statement to be
9 correct, the “up to” language in the Implementation Agreement would have to be ignored as would
10 the language in the Implementation Agreement pursuant to which CETF expressly agreed to return
11 any unused funds and devices to Frontier.

12 7. The Implementation Agreement executed by CETF and Frontier also specifies that
13 it sets forth Frontier’s total obligations for providing funding and devices “under all provisions of
14 the MOU.”¹¹

15 **C. Frontier Complied with the MOU and Implementation Agreement**

16 Frontier fully complied with the express terms of the MOU and Implementation
17 Agreement and fulfilled its commitments in the agreements. Frontier offered the exact service the
18 parties agreed upon in the MOU and provided the funds and devices in accordance with the terms
19 of the MOU and Implementation Agreement:

20 1. In July 2016, Frontier launched the low-income broadband offering specified in the
21 MOU, which included a broadband product for \$13.99 per month with a download speed of up to
22 7 Megabits per second (“Mbps”), available only to Lifeline voice customers, a free modem and
23 free installation.

24 2. In accordance with the Implementation Agreement, Frontier advanced CETF
25 \$525,000 in September 2016 and another \$500,000 in December 2016 for a total of \$1,025,000.

26 3. According to Frontier’s records, as of October 2018, collectively, the CBOs have
27 facilitated 4,338 low-income customer adoptions. Of these adoptions, 1817 (42%) were for

28 ⁹ Implementation Agreement, at p. 2, § (B)(2)(d).

¹⁰ Implementation Agreement, at p. 3, § (C)(6).

¹¹ Implementation Agreement, at p. 2, § (C)(2) (emphasis added).

1 customers subscribing to Frontier’s low-income broadband service, and 2,521 (58%) were for
2 customers subscribing to a competitor’s low-income broadband offer. Therefore, under the
3 Implementation Agreement, CETF is eligible for funding in the amount of \$260,280 (*i.e.* \$60 x
4 4,338) for these adoptions, plus the additional \$50,000 Frontier agreed to provide to fund
5 workshops and meetings, for a total of \$310,280.

6 4. In sum, based on the number of consumer adoptions CETF and its CBO partners
7 have facilitated to date, CETF has received \$714,720 (\$1,025,000 - \$310,280) in funding beyond
8 what it agreed to receive under the MOU and Implementation Agreement.

9 5. There is no factual basis for CETF’s claim that it is entitled to the remainder of the
10 \$3 million identified in the MOU. CETF and Frontier expressly agreed that funding would be
11 distributed in tranches (*i.e.* as needed) and was earmarked for funding future CBO low-income
12 service adoptions. CETF is still holding \$714,720 in unspent funding, and the express terms of the
13 MOU contemplate that the full \$3 million would not be (and may never be) disbursed as it
14 incorporated the limiting terms of “up to” \$3 million. Consistent with the MOU language, the
15 Implementation Agreement specified that CETF would return all unused funds.

16 6. With respect to the 50,000 Wi-Fi enabled devices, beginning in August 2016
17 Frontier began distributing devices to the CBOs in response to their requests. As of October 30,
18 2018, Frontier has distributed 4,774 devices to CBOs, collectively. Of that number, during the 26
19 months that Frontier has been distributing devices, the CBOs have provided 2,360 devices to
20 eligible low-income subscribers. As a result, the CBOs currently have 2,414 devices (more
21 devices than the CBOs have distributed in the last 26 months) on hand that could be distributed to
22 consumers that adopt a low-income broadband service offering.¹²

23 7. At all times, Frontier has operated in good faith and in accordance with the MOU.
24 In collaboration with CETF and based on regular (generally weekly) communication with CETF,
25 Frontier offered the low-income product, funded CBO adoption payments, funded CETF
26 workshops and meetings, provided devices to CBOs, and publicized the program and its low-

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28 ¹² On October 25, 2018, 580 new devices were shipped to CBOs. Also, Frontier’s records show that a
number of CBOs continue to distribute devices to consumers who take low-income broadband service from
providers other than Frontier.

1 income broadband offerings, as required. For example, Frontier has expended more than \$1.17
2 million since 2016 in targeted advertising, which included radio ads, mailers, billboards and other
3 efforts to promote the product to low-income consumers—including its base of Lifeline voice
4 subscribers—since it originally launched the offering.

5 **D. Frontier’s Performance Has Exceeded the Requirements of the MOU**

6 The OSC’s claims should be placed in proper context, which must include a consideration
7 of how Frontier has exceeded its obligations under the MOU as follows:

8 First, Frontier continues to offer the low-income broadband service described in the
9 MOU—a broadband product for \$13.99 per month with a download speed of up to 7 Mbps, a free
10 modem, and free installation for Lifeline voice customers. Frontier has also voluntarily committed
11 to continuing to offer this product until June 30, 2019, even though its obligation to offer this
12 service has ended. Second, Frontier offers the Federal Communications Commission’s (“FCC”) Lifeline
13 broadband service, which the FCC adopted and Frontier began offering in December
14 2016. Under this offering, low-income customers who qualify for Lifeline assistance may apply
15 the benefit to any of Frontier’s Simply Broadband stand-alone broadband service offerings.

16 Second, Frontier offers a “Frontier Fundamentals” plan, which is available to low-income
17 households and does not require enrollment in the federal or California Lifeline. In recognition
18 that some customers do not want to subscribe to a “voice” service with the low-income broadband
19 service—and taking into consideration CETF’s concerns that this was a factor in low-income
20 adoptions—Frontier rolled out this product in the summer of 2018. The Frontier Fundamentals
21 plan offers increased broadband speeds—from 7 Mbps or higher to 25 Mbps or higher, depending
22 on the available technology—as well as a free Wi-Fi capable device for new Frontier customers.

23 Third, as discussed above, CETF has \$714,720 remaining in unused funds that Frontier
24 provided for the low-income broadband service.¹³ Under the Implementation Agreement, CETF
25 was obligated to return these unused funds to Frontier no later than July 30, 2018, but Frontier has
26 not requested return of these funds and has voluntarily committed to continue giving CBOs \$60

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¹³ Frontier’s Response to CETF’s Petition to Modify, at p. 14 (filed June 28, 2018).

1 per adoption through June 30, 2019.¹⁴

2 Fourth, even as recently as October 25, 2018, Frontier has continued to provide WiFi-
3 enabled devices to CBOs for their low-income customer outreach efforts. Frontier would have
4 been within its rights to curtail these distributions under the terms of the MOU and
5 Implementation Agreement but Frontier has continued to perform beyond the temporal scope of
6 the MOU.

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

11 **E. No Legal Basis Exists to Penalize Frontier**

12 As the above facts demonstrate, Frontier complied with the terms of the MOU and the
13 Implementation Agreement. While the results of the program described in those agreements may
14 not have fulfilled the Parties’ joint hopes for the program, Frontier’s actions constitute
15 performance of its contractual and regulatory obligations under them. Under well-settled
16 principles of California law, the plain language of an agreement controls its interpretation, not a
17 party’s goals or opinions. Indeed, the MOU expressly provides it “will be interpreted and
18 enforced pursuant to California law,”¹⁵ and California law provides that “the clear and explicit
19 language” of a contract governs its interpretation,¹⁶ not parties’ positions during negotiations or
20 other extrinsic evidence.¹⁷

21 Neither CETF nor any CBO has pointed to a single provision of any agreement or
22 Commission decision that Frontier has failed to fulfill. Instead, CETF has argued that the
23 language in the MOU is “secondary in importance and far less controlling” than the goal of low-
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26 ¹⁴ *Id.*

27 ¹⁵ MOU, at p. 11, ¶ 41.

28 ¹⁶ *See, e.g.*, Cal. Civ. Code § 1638 (governing “interpretation of contracts”).

¹⁷ *See, e.g.*, Cal. Code Civ. Proc. § 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).

1 income broadband adoptions in California.¹⁸ This may be CETF’s policy view, but it is not the
2 law. CETF’s aspirational positions cannot be the basis for conclusions that an agreement has been
3 violated and cannot support penalties for non-compliance with an agreement or Commission
4 decision when neither include the requirements that CETF now wishes had been imposed.
5 Similarly, the CBO letter attached to the OSC merely repeats CETF’s incorrect recasting of the
6 operative agreements.¹⁹ The CBOs were not promised 50,000 devices and CETF is not owed \$3
7 million because the agreements that CETF voluntarily entered into with Frontier do not mandate
8 these outcomes.

9 **F. Frontier Has Not Violated Rule 1.1**

10 The OSC raises Rule 1.1 issues for the first time, but does not explain how a dispute
11 between the parties regarding the express terms of their agreements could generate an allegation
12 that Frontier misled the Commission. For the Commission to reach a finding that Rule 1.1 was
13 violated, an “artifice or false statement of fact or law” that misled the Commission is required.
14 Rule 1.1. No such statement exists, nor is there any allegation that the Commission was misled as
15 to any of the facts, legal representations, or agreements in this proceeding. And the facts do not
16 support such a finding.

17 As discussed above and in Frontier’s Response to CETF’s Petition to Modify, Frontier has
18 complied with the MOU and the Implementation Agreement. Frontier has set forth the specific
19 provisions of the MOU and Implementation Agreement applicable to this matter and has explained
20 how Frontier has satisfied these provisions. In doing so, Frontier has not made any false statement
21 of fact or law, nor has any such statement been alleged that could form the basis for a Rule 1.1
22 violation.

23 **III. CONCLUSION**

24 Frontier did not violate the MOU or Implementation Agreement that it and CETF

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26 ¹⁸ Petition, at p. 10.

27 ¹⁹ The OSC, on page 2, states that on October 8, 2018, “CETF and the community organizations who were
28 promised money and equipment from Frontier in the MOU sent a joint letter to the Commissioners” stating
that Frontier has failed to keep its commitments to provide the \$3M in cash and the 50,000 Internet-enabled
computers. Frontier was not served with this letter, and saw it for the first time when it was attached to the
OSC.

1 executed. Frontier provided the exact low-income broadband service required by the MOU, and
2 delivered funds and devices in the manner CETF and Frontier agreed upon in the Implementation
3 Agreement. In fact, Frontier exceeded the requirements of the MOU by launching additional low-
4 income offers while still voluntarily continuing to offer the service specified in the MOU as well
5 as by not requiring return of either unused funding or devices, as it is entitled to do under the
6 MOU. Despite Frontier's good faith efforts to work with CETF and its CBO partners over the last
7 two years, the number of low-income consumers adopting Frontier's discounted broadband plans
8 is lower than both parties hoped, but this does not equate to a breach of the MOU nor could it
9 support a finding that Frontier has violated any of the Commission's rules. It instead simply
10 reflects the marketplace and consumer preferences, which Frontier does not control.

11 Submitted this 2nd day of November, 2018 at San Francisco, CA.

12
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17 By: /s/ Patrick M. Rosvall
18 Patrick M. Rosvall

19 Attorneys for Frontier Communications
20 Corporation and Frontier Communications of
21 America, Inc.
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**VERIFICATION OF ALLISON M. ELLIS
IN SUPPORT OF VERIFIED RESPONSE OF FRONTIER COMMUNICATIONS
OF AMERICA, INC. (U5429C) AND FRONTIER COMMUNICATIONS
CORPORATION TO THE ORDER TO SHOW CAUSE**

I, Allison M. Ellis, am an officer of Communications of America, Inc., and I make this verification in support of the Verified Response (“Response”) provided by Frontier Communications of America, Inc. and Frontier Communications Corporation (collectively, “Frontier”) in connection with the Order To Show Cause issued in this proceeding on October 25, 2018. Based on my position as Senior Vice President of Regulatory Affairs, I am authorized to speak on Frontier’s behalf with regard to this Response. I offer this verification based on my own personal knowledge, except as to the specific figures regarding the number of WiFi-capable devices provided to CBOs and the specific facts about Frontier’s marketing efforts pertaining to its low-income broadband program. As to those facts, I verify them upon information and belief. I have conducted sufficient due diligence to be informed regarding those facts based on information from Frontier’s personnel with personal knowledge, and I believe the facts presented in the Response on those subjects to be true and correct.

I declare under penalty of perjury that the facts presented in the foregoing Response are true and correct.

Executed this 2nd of November, 2018 at Durham, North Carolina



Allison M. Ellis
Senior Vice President, Regulatory Affairs

Exhibit 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.

1051337.1

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

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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 tressa.bader@ftr.com	415.744.2385 susan.walters@cetfund.org

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