



APPENDIX A

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

3
4 In the Matter of the Joint Application of)
5 Frontier Communications Corporation,)
6 Frontier Communications of America, Inc. (U)
7 5429 C), Verizon California Inc. (U 1002 C),) Application 15-03-005
8 Verizon Long Distance, LLC (U 5732 C), and) (Filed March 18, 2015)
9 Newco West Holdings LLC for Approval of)
10 Transfer of Control Over Verizon California)
11 Inc. and Related Approval of Transfer of)
12 Assets and Certifications)
13 _____)

14 **SETTLEMENT AGREEMENT**

15 This Settlement Agreement is entered into as of August 21, 2015, by and between Frontier
16 Communications Corporation on behalf of itself and its subsidiaries ("Frontier"), the California
17 Association of Competitive Telecommunication Companies ("CALTEL"), PAETEC
18 Communications Inc. ("PAETEC"), and O1 Communications ("O1") in accordance with Article
19 12 of the California Public Utilities Commission's ("Commission") Rules of Practice and
20 Procedure ("Rules"). CALTEL, PAETEC, and O1 Communications are referred to herein
21 individually and collectively as the "Joint CLECs." Frontier and the Joint CLECs are collectively
22 identified as the "Parties" to this Settlement.

23 **RECITALS**

24 WHEREAS, on March 18, 2015 Frontier and Verizon Communications Inc. ("Verizon")
25 jointly filed this Application for approval of a transfer of control of Verizon California Inc.
26 ("Verizon California") to Frontier and related approval to transfer assets and certifications held by
27 Verizon California ("Transaction"); and

28 WHEREAS, CALTEL filed a Response to the Application on April 27, 2015 highlighting
areas of concern relating to the effects of the Transaction on Competitive Local Exchange Carriers

1 **AGREEMENT**

2 NOW, THEREFORE, based upon mutual agreement reflected in this Settlement
3 Agreement, Frontier and the Joint CLECs agree to resolve issues raised by the Joint CLECs as
4 follows:

5 **A. Interconnection Agreements, Wholesale Tariffs and Other Wholesale Contracts:**

- 6 1. Frontier will honor Verizon California's existing interconnection agreements entered
7 into pursuant to Sections 251 and 252 of the Communications Act of 1996 and filed
8 with the California PUC ("Interconnection Agreement"), for the later of: their
9 remaining terms or January 1, 2019 (hereinafter "Extended Term").
- 10
- 11 2. Frontier will not request negotiation of any amendment to an effective
12 Interconnection Agreement with Verizon California except for change of law
13 amendments until expiration of the Extended Term.
- 14
- 15 3. Frontier will permit any CLEC to use its existing Interconnection Agreement with
16 Verizon California as the starting draft for negotiating a new or replacement
17 Interconnection Agreement for California.
- 18
- 19 4. Frontier will grandfather and continue to provide any Verizon California
20 Interconnection Agreement services provided to a particular Joint CLEC as of the
21 completion of the California Transaction ("Closing") or wholesale services included
22 in Verizon California intrastate carrier service tariffs and regulated by the
23 Commission ("Wholesale Tariffs") during the Extended Term.
- 24
- 25 5. Frontier will honor, assume or take assignment, in whole or in part, of all obligations
26 under Verizon California Wholesale Tariffs and Frontier shall not terminate or
27 increase the Wholesale Tariff rates in effect as of Closing, including maintaining
28

1 capability for local number portability ("LNP") and directory listing ("DL")
2 orders as the current Verizon California Operational Support Systems
3 ("Verizon California OSS") for Access Service Requests ("ASRs") associated with
4 ordering interconnection facility trunks, and for Local Service Requests ("LSRs")
5 associated with LNP and DL orders. The e-bonded Frontier Systems will include
6 associated pre-ordering, ordering, maintenance and provisioning functionality.
7

8
9 10. Frontier will establish and permit CLECs that have submitted orders to Verizon
10 California within one year prior to Closing to use a testing environment on the
11 Frontier Systems to test wholesale orders, including orders for interconnection
12 facilities and trunks and LNP and DL orders. Frontier will work with CLECs on a
13 business-to-business basis to identify and correct any problems that arise during such
14 testing prior to cutover.
15

16 11. Frontier shall provide CLECs that do not currently use the Frontier Systems in at
17 least one Frontier service area a 90-day notice period prior to Closing to implement
18 and obtain training. Between 15 and 90 days prior to the Frontier Systems cutover
19 Frontier shall provide at no cost to a requesting CLEC training sessions
20 regarding the use of Frontier's Systems for entering LSR, DL and ASR orders
21 (including pre-ordering, ordering, maintenance and provisioning functions).
22

23
24 12. Frontier will take steps to mitigate extended delays or adverse consequences, related
25 to wholesale provisioning and repair intervals as a result of the OSS conversion.
26 Frontier will deploy sufficient staff, including additional employees, to respond to
27 and mitigate service issues that may arise during and following the conversion.
28

1 to one or more CALTEL members. Frontier will work with CALTEL and/or
2 individual CLECs to identify the appropriate point of contact to address technical and
3 network escalation issues.
4

5 16. Frontier shall ensure that the Wholesale and CLEC support centers are sufficiently
6 staffed by adequately trained personnel dedicated exclusively to wholesale
7 operations so as to provide a level of service that is at least of the same level of
8 quality provided by Verizon California prior to Closing.
9

10 17. Frontier shall not seek to eliminate any of Verizon California's current obligations
11 under Section 251 of the Communications Act or the Federal Communications
12 Commission's ("FCC") rules implementing Section 251 except pursuant to
13 generally-applicable changes resulting from court interpretations of Section 251 or
14 changes to the FCC's rules. For example, Frontier shall not seek to reclassify any
15 California wire centers as "non-impaired" or file any new petition under Section 10
16 of the Communications Act seeking forbearance from any Section 251 or dominant
17 carrier regulation. Frontier shall also not file any requests to seek relief (to the extent
18 it might be available) to be characterized as a rural carrier under or pursuant to
19 Section 251(f)(1). Frontier agrees that if Verizon or Frontier builds transport facilities
20 between non-contiguous Verizon California exchanges in the same local calling area,
21 and sufficient transport capacity exists, Frontier will make the transport facilities
22 available between the exchanges in accordance with the terms of an ICA between the
23 parties or on commercially agreed upon terms.
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1 delay, or seek to impose conditions on the proposed transaction regarding Frontier's
2 acquisition of the Verizon California operations in California in any federal, state or
3 local regulatory or legislative proceeding, including Docket 15-03-005. As agreed
4 to by Frontier and the Joint CLECs and based on applicable regulatory requirements,
5 the Parties will file a joint motion with the Commission asking the Commission to
6 approve this Settlement Agreement in Docket 15-03-005.
7

8
9 23. Frontier agrees that nothing in this Settlement Agreement prohibits CALTEL or the
10 other Joint CLECs from advocating (including by filing comments, briefs and
11 testimony), in this or any other Commission proceeding that:

12 1) the Commission should gather information regarding the physical condition
13 of Verizon California's network to determine whether Verizon should be ordered to
14 rehabilitate the network facilities or adopt other remedies to address service quality,
15 wholesale performance, and copper retirement issues and concerns;
16

17 2) the Commission should require Frontier to file and make available for opt-
18 in on a non-discriminatory basis agreements relating to the exchange of IP-to-IP
19 traffic (interconnection), including agreements (written or unwritten) that it is
20 assuming between the Verizon California and Verizon Wireless, Verizon CLEC
21 affiliates, any other Verizon subsidiary or affiliate, and/or with any third party carrier
22 or IP provider in the areas served by the Frontier ILEC.
23

24 3) XO Communications, as a member of CALTEL, from advocating in this or any
25 other proceeding with respect to those issue set forth in the testimony XO
26 Communications filed on July 28, 2015 in Application 15-03-005. . In addition, XO
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1 compliance, and be afforded the opportunity of speedy resolution of any disputes. If
2 the Commission determines that Frontier does not promptly and fully comply with
3 the terms of this Settlement Agreement then CALTEL, or individual Joint CLECs,
4 may take enforcement action against Frontier.
5

6 D. The Commission shall have exclusive jurisdiction over any issues related to this
7 Settlement Agreement and no other court, regulatory agency or other governing body
8 will have jurisdiction over any issue related to the interpretation of this Settlement
9 Agreement, or the rights of the Parties in this Settlement Agreement, with the
10 exception of any court that may now or in the future, by statute or otherwise, have
11 jurisdiction to review Commission decisions.
12

13 E. This Settlement Agreement was jointly prepared by the Parties and any uncertainty or
14 ambiguity existing in the document will not be interpreted against any party on the
15 basis that such party drafted or prepared the Settlement Agreement.
16

17 F. Each of the undersigned Parties agrees to abide by the terms of this Settlement
18 Agreement. The rights conferred and obligations imposed on any Party by the
19 Settlement Agreement shall inure to the benefit of and be binding on that Party's
20 successors in interest and assignees as if such successor or assignee were itself a
21 party hereto.
22

23 G. The Settlement Agreement may be executed in counterparts.
24

25 H. This Settlement Agreement constitutes and represents the entire agreement between
26 the Parties and supersedes all prior and contemporaneous agreements, negotiations,
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representations, warranties and understandings of the Parties with respect to the subject matter set forth herein.

- I. This Settlement Agreement cannot be amended or changed except by a written amendment signed by all Parties and approved by the Commission.
- J. By signing below, each signatory represents and warrants that he/she is authorized to sign this Settlement Agreement on such Party's behalf and thereby binds such Party to the terms of this Settlement Agreement.

FRONTIER COMMUNICATIONS CORPORATION

Dated: _____ By: _____

CALIFORNIA ASSOCIATION OF COMPETITIVE COMPANIES

Dated: _____ By: _____

PAETEC COMMUNICATIONS INC.

Dated: _____ By: _____

O1 COMMUNICATIONS

Dated: 9/4/15 By: 

1 representations, warranties and understandings of the Parties with respect to the
2 subject matter set forth herein.

3
4 I. This Settlement Agreement cannot be amended or changed except by a written
5 amendment signed by all Parties and approved by the Commission.

6
7 J. By signing below, each signatory represents and warrants that he/she is authorized to
8 sign this Settlement Agreement on such Party's behalf and thereby binds such Party
9 to the terms of this Settlement Agreement.

10 FRONTIER COMMUNICATIONS CORPORATION

11
12
13 Dated: _____ By: _____

14
15 CALIFORNIA ASSOCIATION OF COMPETITIVE COMPANIES

16
17 Dated: 9/4/15 By: Nancy E. Lubamersky

18
19 PAETEC COMMUNICATIONS INC.

20
21 Dated: _____ By: _____

22
23 O1 COMMUNICATIONS

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26 Dated: _____ By: _____

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APPENDIX B

1 **BEFORE THE PUBLIC UTILITIES COMMISSION**
2 **OF THE STATE OF CALIFORNIA**
3

4 In the Matter of the Joint Application of Frontier)
5 Communications Corporation, Frontier)
6 Communications of America, Inc. (U 5429 C),)
7 Verizon California Inc. (U 1002 C), Verizon Long) Application 15-03-005
8 Distance, LLC (U 5732 C), and Newco West) (filed March 18, 2015)
9 Holdings LLC for Approval of Transfer of Control)
10 Over Verizon California Inc. and Related)
11 Approval of Transfer of Assets and Certifications.)
12

13 **SETTLEMENT AGREEMENT**
14

15 This Settlement Agreement is entered into as of September 4, 2015 by and among Frontier
16 Communications Corporation ("Frontier"), and Cox California Telcom, LLC dba Cox
17 Communications ("Cox"), in accordance with Article 12 of the California Public Utilities
18 Commission's ("Commission") Rules of Practice and Procedure ("Rules"). Frontier and Cox are
19 referred to collectively as the "Parties."

20 **RECITALS**
21

22 WHEREAS, on March 18, 2015 Frontier and Verizon jointly filed this Application for
23 approval of a transfer of control of Verizon California Inc. ("Verizon California") to Frontier and
24 related approval to transfer assets and certifications held by Verizon California (the
25 "Transaction"); and

26 WHEREAS, Cox filed a Response to the Application on April 27, 2015 highlighting areas
27 of concern relating to the effects of the Transaction on Competitive Local Exchange Carriers
28 ("CLECs"); and

29 WHEREAS, on May 7, 2015, Frontier submitted a reply to Cox's Response to the
30 Application that addressed the subjects in Cox's Response;

31 WHEREAS, on May 11, 2015, Frontier submitted pre-filed testimony summarizing the
32 proposed Transaction between Frontier and Verizon, and addressing California Public Utilities

1 251/252 Interconnection Agreement to which a Verizon ILEC is a party for a longer period than
2 the Extended Term, Frontier will promptly make such longer extended term available to Cox.

3 **B. Support**

4 5. At least thirty (30) days prior to the Closing of the Transaction, Frontier will assign a
5 single point of contact ("SPOC") as a dedicated resource for assisting Cox with ordering,
6 provisioning and trouble tickets during the transition and cut over from Verizon California to
7 Frontier. At a minimum, such resource will:

- 8 (a) be knowledgeable of Frontier's systems, the cut-over process that Frontier
9 and Verizon have put in place between themselves, as well as Frontier's transition
10 and cut-over process for CLECs;
- 11 (b) effective as of the Closing, be available prior to, during and until resolution of all
12 issues arising from the cutover from Verizon's OSS to Frontier's OSS;
- 13 (c) will be available and staffed with additional supporting personnel to enable prompt
14 responses to issues identified by Cox;
- 15 (d) will coordinate resolution of issues related to Ethernet services that Cox ordered
16 from Verizon California prior to the Closing and/or from Frontier California after the
17 Closing; and
- 18 (e) will be authorized to timely resolve issues raised by Cox and/or be authorized to
19 escalate Cox's issues directly to other Frontier personnel who will have decision-making
20 authority to timely resolve Cox's issues. Frontier will provide the SPOC's manager
21 contact information in the event issues are not being timely resolved. In the event the
22 SPOC terminates employment prior to ninety days after the Closing, Frontier will promptly
23 assign another resource that satisfies the requirements of this section.

24 **C. Conduit Occupancy Agreement**

25 6. Beginning in September 2015 and continuing through the pendency of the regulatory
26 approval of this settlement and the Transaction, Frontier and Cox will commence good-faith
27 negotiations for a stand-alone conduit occupancy agreement for the Verizon California service
28 area and such agreement will go into effect after closing of the proposed Transaction.

1 14. Cox will have the opportunity to notify Frontier with any complaints about
2 compliance with the requirements herein, and be afforded the opportunity of speedy resolution of
3 any disputes. If the Commission determines that Frontier does not promptly and fully comply with
4 these terms then Cox, or individual CLECs, may take enforcement action against Frontier.
5 15. The Commission shall have exclusive jurisdiction over any issues related to this
6 Settlement Agreement and no other court, regulatory agency or other governing body will have
7 jurisdiction over any issue related to the interpretation of this Settlement Agreement, or the rights
8 of the Parties in this Settlement Agreement, with the exception of any court that may now or in the
9 future, by statute or otherwise, have jurisdiction to review Commission decisions.
10 16. This Settlement Agreement was jointly prepared by the Parties and any uncertainty
11 or ambiguity existing in the document will not be interpreted against any party on the basis that
12 such party drafted or prepared the Settlement Agreement.
13 17. Each of the undersigned Parties agrees to abide by the terms of this Settlement
14 Agreement.
15 18. The Settlement Agreement may be executed in counterparts.
16 19. This Settlement Agreement constitutes and represents the entire agreement between
17 the Parties and supersedes all prior and contemporaneous agreements, negotiations,
18 representations, warranties and understandings of the Parties with respect to the subject matter set
19 forth herein.
20 20. This Settlement Agreement cannot be amended or changed except by a written
21 amendment signed by both Parties and approved by the Commission.
22 ///
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27 ///
28 ///

1 21. By signing below, each signatory represents and warrants that he/she is authorized
2 to sign this Settlement Agreement on such Party's behalf and thereby binds such Party to the terms
3 of this Settlement Agreement.

4
5 FRONTIER COMMUNICATIONS CORPORATION

6
7 Dated: 9-4-15

By: 

8
9 COX CALIFORNIA TELCOM, LLC dba COX COMMUNICATIONS

10
11 Dated: _____

By: _____

APPENDIX C

Memorandum of Understanding Between The Greenlining Institute and Frontier Communications

This Memorandum of Understanding (MOU or agreement) between Frontier Communications (Frontier), The Greenlining Institute (Greenlining), and the Greenlining Coalition is intended to resolve a number of outstanding issues in the proposed transaction between Frontier and Verizon California. Frontier, Greenlining, and members of the Greenlining Coalition feel that the best way to ensure that the proposed transaction benefits communities of color is through collaboration and continued dialogue.

1. Resolution of Specific Issues

This MOU only addresses the specific issues discussed below. Greenlining takes no position on any other issue, including the issues of Frontier's financial and/or operational capacity, Verizon's responsibility for the state of its network, rate freezes, or service quality. Greenlining and the Greenlining Coalition feel that this agreement will result in the transaction fulfilling the applicable public interest benefits requirements.

2. Cooperative Framework

- a. For a minimum of three years, Frontier's Area President, West Region, will meet on an annual basis with Greenlining to provide updates on the issues discussed in this MOU.
- b. Frontier's CEO will meet with Greenlining within twelve (12) months of the close of the proposed Transaction.
- c. Within six months of the close of the transaction, Frontier will introduce members of the Greenlining Coalition to the Area President's direct reports who will be responsible for parts of the commitments in this MOU.
- d. To further advance the interests and concerns of consumers, particularly communities of color, Frontier Communications will create a Consumer Advisory Board (hereafter, the Board). Greenlining and Frontier Communications agree that the Board's composition should accurately reflect the growing diversity of California. Greenlining may nominate candidates for the Board and Frontier Communications will determine the final composition of the Board.

3. Supplier Diversity:

- a. Upon commencement of Frontier's operation in its acquired markets in California, Frontier will ensure that it makes supplier diversity a business priority.
 - i. Frontier will use a combination of national (centralized) and local (West region) team members as it works to achieve the prioritization level of supplier diversity Verizon California has maintained. Greenlining agrees that Frontier will exclusively control the hiring and compensation of these employees.

4. Diversity in Philanthropy/Local Engagement

- a. As part of the Frontier local engagement philosophy, identifying business and non-profit relationships is an important part of visibly showing community leadership and support.
- b. Frontier will work to collect information regarding its philanthropic and local engagement contributions (including the identity of the recipient, amount, percentage of pre-tax California revenue, and hours of volunteer work) in California (disaggregated to the extent Frontier separately tracks data), and will share this information with Greenlining on an annual basis.
- c. Frontier will collect information regarding its California philanthropic and local engagement activities (including volunteer efforts) and share this information with Greenlining on an annual basis.
- d. Frontier's continued assessment and prioritization of opportunities that benefit the community and customers (consumer and business) and focus on fulfilling its commitment to provide quality products and services that reflect equity for communities of color.
- e. A minimum of four times annually, Frontier's Area President, West Region will communicate the importance of diversity in philanthropy and community engagement to Frontier's local managers and other management employees in California. Frontier will determine and execute these communications, and will update Greenlining on these communications on an annual basis.

5. Employment

- a. As employment opportunities are available, the parties agree to work on a wide range of efforts intended to attract minority candidates at all levels throughout Frontier's footprint in California. The aspirational goal will be to have diversity at all levels that accurately reflect the growing diversity of California within five years of the close of the transaction. This data, including recruitment efforts, will be made publicly available on an annual basis, including through the release of annual Equal Employment reports (Greenlining and Frontier agree there is no commitment to attainment of a specific percentage).
- b. Frontier has reached an agreement with the Communications Workers of America to retain the existing level of employees that transfer to Frontier at the closing of the proposed transaction through March 2019 and to hire an additional 150 employees within 6 months after closing. Frontier has further agreed to hire an additional 25 employees for a net increase of 175 employees for the state. These 25 employees will be focused on identifying and resolving network related issues. Frontier will take proactive efforts to ensure that information related to these positions is communicated through ethnic media or other mechanisms to attract diverse candidates.
- c. Frontier commits to provide and maintain a California intern program with the specific purpose to attract, recruit, train, and develop men and women who seek a

customers because it is committed to help bridge the “digital divide” by ensuring that affordable internet access is available.

- c. Frontier will provide Greenlining with data regarding its customers’ Lifeline broadband adoption on an annual basis.

8. Frontier Customers with Limited English Proficiency

- a. Frontier will provide customer service support in English and Spanish, using its own employee resources.
- b. Frontier will provide customer service support in Chinese, Japanese, Korean, Tagalog, and Vietnamese using a third party translation service.
- c. During the first two years after closing, Frontier will work to track the number of customers seeking customer service support in Chinese, Japanese, Korean, Tagalog, Vietnamese and other regularly requested languages. Frontier will report this data to Greenlining and Frontier will assess whether to provide customer service support in house for additional languages.

9. Miscellaneous

- a. All of the terms of this agreement are contingent upon the consummation of the transaction between Frontier and Verizon in California as agreed to in the Stock Purchase agreement.
- b. Unless otherwise explicitly noted this agreement will apply to all of Frontier’s operating companies that provide services in California.
- c. The agreement will remain in effect for three years following closing of the proposed transaction involving Verizon California, at which time, Frontier and Greenlining will meet in good faith to assess the impact of this agreement, discuss potential future changes to and/or an extension of the agreement.

Executed on: September 22, 2015

Signed by:



Melinda White
President – West Region
Frontier Communications Corporation
9260 E. Stockton Blvd.
Elk Grove, CA 95624
Melinda.White@FTR.com

Orson Aguilar
Executive Director
The Greenlining Institute
1918 University Avenue, 2nd Floor
Berkeley, CA 94704

APPENDIX D

**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 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
(Filed March 18, 2015)**

**OPINION OF THE ATTORNEY
GENERAL ON COMPETITIVE
EFFECTS OF PROPOSED
TRANSACTION OF FRONTIER
COMMUNICATIONS INC. AND
VERIZON CALIFORNIA INC.**

**KAMALA D. HARRIS
Attorney General of the State of California
MARK J. BRECKLER
Chief Assistant Attorney General
KATHLEEN E. FOOTE
Senior Assistant Attorney General
DEBBIE W. CHIV
Deputy Attorney General**

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San Francisco, California 94102
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Attorneys for the State of California

However, the Attorney General's advice is entitled to the weight commonly accorded an Attorney General's opinion.²

C. Evidentiary Basis of This Opinion

During the course of our review, we held discussions with the parties and obtained substantial materials pertaining to the issues discussed. We also reviewed testimony, pleadings, and written responses filed in this proceeding, in addition to materials filed in the parallel Federal Communications Commission ("FCC") proceeding.³

II. THE TRANSACTION

On February 5, 2015, Frontier and Verizon entered into a Securities Purchase Agreement to transfer to Frontier, for the purchase price of \$10.54 billion, Verizon's ILEC ownership interests in Verizon California Inc., Verizon Florida LLC, and GTE Southwest Inc. in Texas (collectively, the "Transferring Companies").⁴ The Transferring Companies will become wholly-owned direct subsidiaries of Newco, a new limited liability subsidiary of Verizon. Upon completion of the transaction, Frontier will purchase all ownership interests of Newco and the Transferring Companies will become wholly-owned indirect subsidiaries of Frontier. Certain long distance customers of Verizon Long Distance LLC will be assigned to Frontier as part of the transaction.⁵

A. Parties to the Transaction

Verizon is a leading global provider of communications, information and entertainment services and the largest wireless service provider in the United States.⁶ Verizon California Inc. ("Verizon California"), an indirect, wholly-owned subsidiary of Verizon, is an ILEC with approximately two million lines in service in 266 exchanges in California.⁷ Verizon California offers local and long distance retail and wholesale voice and data services, retail broadband access services, and video services.

(3) Not adversely affect competition. In making this finding, the commission shall request an advisory opinion from the Attorney General regarding whether competition will be adversely affected and what mitigation efforts could be adopted to avoid this result.

² See e.g., *Moore v. Panish* (1982) 32 Cal.3d 535, 544 ("Attorney General opinions are generally accorded great weight"); *Farron v. City and County of San Francisco* (1989) 216 Cal.App.3d 1071, 1076.

³ On September 2, 2015, the FCC approved Frontier's acquisition of Verizon's ILEC subsidiaries in California, Florida and Texas. See Memorandum Opinion and Order, *In the Matter of Applications Filed by Frontier Communications Corporation and Verizon Communications Inc.*, WC Docket No. 15-44 (FCC Sept. 2, 2015).

⁴ Joint Application for Approval of Transfer of Control Over Verizon California Inc., *In the Matter of the Joint Application of Frontier Communications Corp., Frontier Communications of America Inc., Verizon California, Inc.*, A No. 15-03-005 (PUC March 18, 2015) ("PUC Application"), at 9.

⁵ *Id.*

⁶ Verizon Communications Inc., Form 10-K for Fiscal Year Ended Dec. 31, 2014 ("Verizon Form 10-K"), at 3.

⁷ PUC Application, at 8.

transaction is deemed horizontal when the parties offer products or services that compete in the same relevant product and geographic markets.

A. Defining the Geographic Market

The relevant geographic market is measured by the “area of effective competition...in which the seller operates, and to which the purchaser can practicably turn for supplies.”¹⁸ The Guidelines advise that when it is feasible for a company to price discriminate based on customer location, the geographic market should be defined as the location of the targeted customers.¹⁹ That is, where a supplier delivers products or services to customer locations, the geographic market encompasses the region in which sales are made.²⁰ The FCC follows the Guidelines’ approach by defining the geographic market for local exchange services as the local coverage area of the wireline provider and the customers’ location.²¹ This is because local exchange carriers offer services in their wireline coverage area and do not typically market outside of their service area.

We follow the FCC’s approach in defining the relevant geographic market as the wireline coverage areas where the Applicants provide local exchange carrier services. The Applicants assert that none of the Verizon California exchanges overlap with any of Frontier’s existing exchanges in California, that they do not compete for customers in any of the affected exchanges, and that prior to this transaction, Frontier had no plans to expand its services into Verizon California’s operating area.²²

Based on the record evidence, we conclude that none of the Applicants’ exchanges in California overlap and that the Applicants do not compete for local exchange carrier services in any relevant geographic market. Accordingly, we conclude that the acquisition will not reduce the number of competitors, nor will it eliminate a potential new entrant, in any relevant geographic market.

B. Defining the Product Market

The product market refers to the range of products or services that are or could easily be relatively interchangeable,²³ so that pricing decisions by one firm are influenced by the range of alternative suppliers available to the purchaser. These substitutes include suppliers who are not current producers in a relevant market but could rapidly enter the market without incurring

¹⁸ *United States v. Philadelphia Nat’l Bank*, 374 U.S. 321, 359 (1963).

¹⁹ Guidelines, § 4.2.2.

²⁰ *Id.*

²¹ See e.g., Memorandum Opinion and Order, *In the Matter of Insight Communications Company, Inc. and Time Warner Cable Inc.*, 27 FCC Rcd 497, 505-06 (FCC Jan. 31, 2012) (geographic market for enterprise, wholesale and video services deemed provider’s franchise area and customers’ location); Memorandum Opinion and Order, *In the Matter of SBC Communications Inc. and AT&T Corp.*, 20 FCC Rcd 18290, 18345 (FCC Oct. 31, 2005) (“As with special access and enterprise services, we conclude that the relevant geographic market for mass market local, long distance, and bundled local and long distance services is the customer’s location”).

²² PUC Application, at 24.

²³ Guidelines, § 4.1.

57 percent in California while wireless lines surged 188 percent.²⁸ By the end of 2013, wireless voice lines represented nearly 69 percent of all voice connections in California while ILEC-affiliated traditional telephone and VoIP made up a mere 19 percent.²⁹ Against this backdrop, Verizon Wireless' voice products, such as mobile wireless, fixed wireless, and wireless data services, inevitably compete with Verizon California's wireline voice services. In fact, certain intervenors argue that Verizon Wireless' voice products compete so robustly against Verizon California's voice services that the acquisition may reduce Frontier's profitability.³⁰ Further, the Applicants did not include a non-compete provision in their Purchase Agreement, permitting the independent companies to freely vie for voice customers.³¹

But while wireless voice may compete with wireline voice services in an open market, one theory posits that companies offering both wireless and wireline voice products have less of an incentive to vigorously market their products against each other.³² That is, such company would market its wireless product in a way that avoids cannibalizing potential revenue from its wireline product, thereby minimizing competition.³³ Applying the theory to this transaction, Verizon today has a lower incentive to aggressively market its Verizon Wireless products against its Verizon California voice services. By extension, the de-affiliation of Verizon Wireless and Verizon California is likely to enhance competition among voice communication services as the independent companies will be incentivized to aggressively compete to win voice customers.

Additionally, Verizon Wireless is currently a large customer of Verizon California for the purchase of special access services.³⁴ Verizon California, and other ILECs and competitive local exchange carriers ("CLECs"), control backhaul wireline inputs that are essential to wireless carriers.³⁵ Verizon California provides backhaul in the form of special access circuits to Verizon Wireless and other wireless carriers unaffiliated with a wireline network. These unaffiliated

²⁸ FCC Wireline Competition Bureau, *Local Telephone Competition: Status as of December 31, 2013* (Oct. 2014), at Table 9, available at https://apps.fcc.gov/edocs_public/attachmatch/DOC-329975A1.pdf; compare to FCC Wireline Competition Bureau, *Local Telephone Competition: Status as of December 31, 2000* (May 2001), at Table 6.

²⁹ *Id.*

³⁰ See e.g., Testimony of Susan Baldwin on behalf of TURN, *In the Matter of Frontier Communications and Verizon California* (PUC July 28, 2015), at 48 ("Verizon will continue to have a significant competitive presence with customers within Frontier's expanded California footprint. Verizon Wireless offers both mobile ('traditional wireless') and fixed wireless services that are alternatives (at least for many customers) to ILEC wireline voice and broadband services...").

³¹ Testimony of Dr. David J. Teece on behalf of Frontier, *In the Matter of Frontier Communications and Verizon California* (PUC Aug. 24, 2015), at 19.

³² Paul Zimmerman, *Strategic Incentives Under Vertical Integration: the Case of Wireline-Affiliated Wireless Carriers and Intermodal Competition in the U.S.*, 34 J. Regul. Econ. 282, 284 (2008).

³³ *Id.* (discussing AT&T/Cingular's merger in which SBC/BellSouth, parent company of Cingular, was concerned "that Cingular's wireless offerings might 'cannibalize' their wireline revenues, and as such, sought to influence Cingular's product design and marketing strategies so as to prevent the company from competing 'too aggressively' for in-region wireline subscribers").

³⁴ See Response of Verizon California to Third Set of Data Requests of TURN, Attachment 3, at A1503005VZ60277.

³⁵ A wireless carrier must transmit signals between the carrier's cell sites and wireline networks in order to carry wireless voice and data traffic for routing. This process is called backhaul and has historically been supplied by ILECs through special access circuits. See Sixteenth Report, *In the Matter of Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993*, WT Docket No. 11-186 (FCC March 21, 2013), at 210.

reaffirmed the need for a comprehensive study evaluating the network infrastructure of AT&T California and Verizon California under an expedited timeframe.⁴¹

We do not draw conclusions in this opinion as to the Applicants' existing network infrastructure. We do, however, recognize the importance of competitive carriers having reasonable access to incumbent carriers' copper networks in order to ensure effective competition. CLECs tend to rely on some combination of their own facilities and ILECs' last-mile facilities to serve end users. To ensure successful competition, CLECs require reasonable access to last-mile networks and poor infrastructure can negatively impact carriers' services, *e.g.*, raising rates for end users, increasing carriers' internal costs, and causing reputational harm.⁴² At the same time, we recognize that an ILEC should be free to retire its copper network if it chooses to do so.⁴³ ILECs have expressed that as the technology migration progresses, they should be permitted to retire copper networks that have become obsolete or unduly costly to maintain.⁴⁴

Subject to the Commission's pending study on Verizon California's existing infrastructure and its findings in this proceeding, we find that the proposed transaction has the potential to enhance competition among competitive carriers. First, in response to intervenors' concerns, the Applicants assert that Frontier will devote significant resources to maintaining and improving Verizon California's facilities post-closing.⁴⁵ Frontier appears actively committed to building and improving its wireline business, and its focus as a wireline-only company suggests it has every incentive to continue investing in wireline projects.⁴⁶ Verizon, by contrast, appears to have retreated from its wireline voice and broadband business in recent years and in 2010, announced it was no longer expanding its FiOS network into new cities.⁴⁷

Second, Frontier has a strong history of accepting federal and other funding to build out broadband to high-cost underserved and unserved rural areas.⁴⁸ In this acquisition, Frontier has affirmed its intent to use federal Connect America Funding ("CAF") support to expand fiber-based broadband infrastructure within both its existing California exchanges and Verizon

⁴¹ Decision Affirming Commission Direction to Conduct the Network Evaluation Study Originally Ordered in Decision 13-02-023, Order Instituting Rulemaking to Evaluate Telecommunications Corporations Service Quality Performance, Rulemaking 11-12-001 (PUC Aug. 27, 2015).

⁴² Copper Retirement Order, at 50, 75.

⁴³ See Notice of Proposed Rulemaking and Declaratory Ruling, *In the Matter of Ensuring Customer Premises Equipment Backup Power for Continuity of Communications*, WC Docket No. 05-25 (FCC Nov. 25, 2014), at 6.

⁴⁴ Reply to Comments of AT&T Services Inc., *In the Matter of Technology Transactions*, GN Docket No. 13-5, No. 12-353, at 42 (FCC April 10, 2014).

⁴⁵ Rebuttal Testimony of Kim Czak on behalf of Frontier, *In the Matter of Frontier Communications and Verizon California* (PUC Aug. 24, 2015), at 17.

⁴⁶ Rebuttal Testimony of John Jureller on behalf of Frontier, *In the Matter of Frontier Communications and Verizon California* (PUC Aug. 24, 2015), at 39.

⁴⁷ Roger Cheng, "Verizon to End Rollout of FiOS," *Wall Street Journal* (March 30, 2010), available at <http://www.wsj.com/articles/SB10001424052702303410404575151773432729614>.

⁴⁸ By February 2014, Frontier accepted all eligible Connect America Funding ("CAF") Phase I funding in the amount of nearly \$133 million. Since 2009, Frontier also received six California Advanced Services Fund grants to expand broadband availability in California. See Testimony of Kathleen Abernathy on behalf of Frontier, *In the Matter of Frontier Communications and Verizon California* (PUC May 11, 2015) ("Abernathy Test."), at 17-19.

APPENDIX E

**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.

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:

- \$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.
- Frontier shall not require any more information from applicant than is required for the California LifeLine program.
- 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.
- Free Installation.
- Free Modem with wireless router.
- 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

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

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

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.

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.

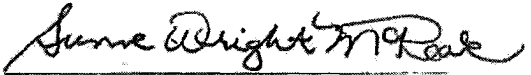
41. This MOU will be interpreted and enforced pursuant to California law.

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

APPENDIX F

**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>)	

SETTLEMENT AGREEMENT

This Settlement Agreement (“Settlement”) is entered into as of October 30, 2015, by and between Frontier Communications Corporation and Frontier Communications of America, Inc. (U 5429 C) (“Frontier”), the Office of Ratepayers Advocates ("ORA"), The Utility Reform Network ("TURN") and the Center for Accessible Technology ("CforAT") in accordance with Rule 12 of the California Public Utilities Commission’s (“Commission”) Rules of Practice and Procedure (“Rules”). ORA, TURN and CforAT are referred to herein individually and collectively as the “Consumer Advocates.” Frontier and the Consumer Advocates are collectively identified as the “Parties” to this Settlement.

All the terms of this Settlement are expressly contingent upon the consummation of the Transaction set forth in the February 5, 2015 Securities 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 Settlement reflects additional commitments that Frontier has agreed to make provided that the Transaction is consummated, and it reflects the Consumer Advocates' agreement that, based on those commitments by Frontier, the concerns expressed in Consumer Advocates' pleadings, testimony, and appearances regarding the Transaction have been resolved, except as specified herein. Specifically, the Settlement resolves all issues raised by the Consumer Advocates, except that this Settlement does not resolve ORA's proposed condition (numbers 30 and 31 in ORA's Opening Brief) that Verizon should be required to contribute fifty percent (50%) of the alleged capital gain from the transaction to an escrow fund for network enhancements pursuant to California Utility Code Section 854(b)(2) ("Verizon Ratepayer Allocation"). To the extent that Frontier, ORA, TURN, or CforAT have previously recommended conditions that are inconsistent with this Settlement, those positions are hereby modified. Except with respect to the Verizon Ratepayer Allocation, which ORA and Frontier have not resolved, the Parties agree that this Settlement represents a compromise of all disputes between the Parties and is fundamentally fair, reasonable in the light of the whole record, consistent with the law, and in the public interest and the Transaction, subject to the conditions specified in this Settlement Agreement, provides sufficient customer benefit to ensure it is in the public interest, consistent with Section 854, and is fair and reasonable in light of the whole record.

RECITALS

WHEREAS, this proceeding was initiated through the Joint Application filed on March 18, 2015 by Frontier and Verizon ("Joint Applicants"); and

WHEREAS, the principal parties involved in the Transaction are Verizon California, Frontier Communications Corporation, and Verizon Communications Inc.; and

WHEREAS, Verizon California is an Incumbent Local Exchange Carrier ("ILEC") operating company providing telecommunications and other services in various parts of California; and

WHEREAS, Frontier Communications Corporation is a public utility holding company whose subsidiaries serve more than 3.5 million residential and business local exchange customers nationwide. These subsidiaries include two ILECs currently serving in California: Citizens Telecommunications Company of California Inc. d/b/a Frontier Communications of California; and

WHEREAS, Verizon Communications Inc. is the current indirect owner of Verizon California; and

WHEREAS, the parties expect the closing to take place in the first quarter of 2016 provided that regulatory approvals have been obtained by the end of 2015, consistent with the schedule in this proceeding; and

WHEREAS, protests and responses were submitted on April 27, 2015 by ORA, TURN and CforAT; and

WHEREAS, Joint Applicants provided a reply to the timely-received protests on May 7, 2015; and

WHEREAS, a Pre-Hearing Conference ("PHC") took place in this proceeding on June 10, 2015; and

WHEREAS, following the PHC, an initial Scoping Ruling was issued on June 24, 2015. That Scoping Ruling defined the scope of the issues in the proceeding with reference to the statutory standard in Public Utilities Code Section 854; and

WHEREAS, on July 2, 2015, an Amended Scoping Ruling was issued; and

WHEREAS, before and after the PHC, the ALJ issued a series of rulings setting schedules for PPHs and workshops in this proceeding. From July 6, 2015 to August 21, 2015, transcribed PPHs took place at 11 different locations in or near Verizon California's service territory. At ten of these locations, there were associated site visits, during which the parties viewed specific portions of Verizon's network. At these ten locations, there were also transcribed workshops devoted to describing what the parties saw during the site visits, and addressing other designated topics or general observations related to the issues in the Amended Scoping Memo; and

WHEREAS, Joint Applicants submitted opening testimony on May 11, 2015. Intervenor submitted reply testimony on July 28, 2015. Joint Applicants submitted rebuttal testimony on August 24, 2015. Intervenor then submitted supplemental testimony on September 11, 2015, and Joint Applicants concluded with supplemental reply testimony on September 22, 2015; and

WHEREAS, on August 20, 2015, ALJ Bemesderfer issued an ALJ Ruling directing Verizon to prepare a report on the current condition of the Verizon network. That same ruling set evidentiary hearings devoted to addressing the condition of Verizon's network. Verizon served the network report on the parties on September 18, 2015. The hearing to address the state of Verizon's network took place on September 24, 2015; and

WHEREAS, on October 5, 2015, Joint Applicants, ORA, TURN and CforAT filed opening briefs; and

WHEREAS, on October 15, 2015, Joint Applicants, ORA, TURN and CforAT filed reply briefs; and

WHEREAS, as part of the Settlement, Frontier has committed to expanding or improving broadband service to more than 827,000 households in California and the state will benefit from \$192 million in federal Connect American Fund (CAF II) support. The Company has further committed to maintaining or improving service quality and to specifically dedicating 50 new employees (of the 175 new jobs to be added in California) through at least March 2019 to identifying and addressing network and service quality issues. California customers will continue to receive the services they receive from Verizon California. Frontier has and committed to a rate cap through January 1, 2019 for certain basic and ancillary services and to various service performance tracking and reporting and other actions to ensure safe and reliable services to customers; and

WHEREAS, the Parties have conferred regarding the possibility of settlement in this case, and the Parties have reached the terms of a partial settlement that the parties believe is in the public interest, reasonable in light of the record, and consistent with law, as set forth herein.

AGREEMENT

NOW, THEREFORE, based upon mutual agreement reflected in this Settlement, Frontier and the Consumer Advocates agree to resolve issues raised by the Consumer Advocates as follows:

1. On a semi-annual basis during the first three years of operation in the California markets, Frontier executives will meet with TURN and ORA officials to report Frontier publicly available company-wide, Verizon California and other Frontier California incumbent local exchange carrier financial results, including Verizon California and Frontier California financial results filed with the Commission, and to discuss the results from the reporting requirements in paragraphs 3, 6 and 7. Frontier regional executives will present quarterly financial results as well as results from the broadband deployment, Network Plan and expenditures reporting, subject to Commission confidentiality protections and nondisclosure agreements, with time allotted for discussion. Frontier executives will be available to respond to questions regarding revenue and expense drivers, including pricing, product packaging, competitive forces, network performance, industry

occurrences, and community engagement. Frontier representatives will include the Region President (or a designated executive), and any other executives who may be invited by the Region President.

2. Upon closing of the proposed Transaction, Frontier will accept the CAF II obligations and funds for the Verizon California service area. The Company will have access to approximately \$32 million annually for six years from Verizon California service area to upgrade approximately 77,402 locations in California. Frontier will bear the risk and expense associated with fulfilling the CAF II requirements beyond the specific funding provided through the program. In its testimony filed in this proceeding, Frontier committed, to augment the broadband speed for 250,000 households in the Verizon California service area to support speeds of 25 megabits per second ("Mbps") downstream and 2 to 3 Mbps upstream by December 31, 2020. As part of this settlement, Frontier is committing to augment the broadband speed for an additional 150,000 households in the Verizon California and/or its existing California service area to support speeds of 25 megabits per second ("Mbps") downstream and 2 to 3 Mbps upstream by December 31, 2022, thereby increasing the broadband speed for 400,000 California households. Frontier estimates that approximately 60% of these households will receive 2 Mbps upstream and 40% of these households will receive 3 Mbps upstream. As part of this settlement, Frontier further commits to deploy or augment broadband services to provide broadband service to support speeds of 6 Mbps downstream and 1 to 1.5 Mbps upstream for an additional 250,000 unserved and underserved households in the Verizon California and/or its existing California service area by December 31, 2022. In addition, in its testimony, Frontier also committed to deploy broadband to an additional 100,000 unserved households to 10 Mbps downstream and 1 Mbps upstream by December 31, 2020. For purposes of this Agreement unserved households means households that do not currently have broadband service available from Verizon California or Frontier and underserved households means households that may have some wireline broadband service at speeds of less than 3 Mbps download from Verizon California or Frontier.

With respect to the above commitments, Frontier acknowledges that the broadband enhancements will occur in urban, suburban, and rural areas and the Company will work in good faith to accelerate the expansion of service and at a minimum the following deployment milestones will be met:

Year	Minimum # Additional Households with Speeds of at least 10/1 Mbps (Households Not Covered By CAF II that are Unserved by Verizon California) (cumulative)	Minimum # Additional Households with Speeds of at least 25/2-3 Mbps (In Households where FiOS is not offered today) (cumulative)	Minimum # Additional Households with Speeds of at least 6/1-1:5 Mbps (In Unserved or Underserved Households) (cumulative)
Dec. 31, 2016	-		
Dec. 31, 2017	-	100,000	
Dec. 31, 2018	50,000	150,000	50,000
Dec. 31, 2019	75,000	200,000	100,000
Dec. 31, 2020	100,000	250,000	150,000
Dec. 31, 2021	100,000	300,000	200,000
Dec. 31, 2022	100,000	400,000	250,000

3. Broadband Reporting: On March 1, 2017, and every year thereafter until March 1, 2023, Frontier shall submit a confidential progress report to the Commission, ORA, TURN and settling parties identifying the progress made for deployment of broadband and the work completed during the preceding period ending December 31st to meet the interim deployment milestones set forth above. The report shall identify the number of new households with access to broadband speeds set forth above, including a list of census blocks where the households are located and the number of households that are in rural, urban, suburban areas, tribal lands and low income areas as defined by census data and federal poverty guidelines. Starting with the progress report for the period ending December 31, 2017, and every year thereafter until December 31, 2022, Frontier shall certify that it is meeting the percentage of households identified in the deployment milestones set forth above. In addition, Frontier will comply with the FCC CAF II deployment milestones and will submit to the Commission, ORA, TURN and other settling parties a copy of the reports and information supplied to the FCC related to California and the CAF II funding, within 3 business days after such filings with the FCC.
4. Frontier will provide an unredacted copy of the FCC 477 data for Internet Access Services and Local Telephone Services to the Commission, ORA, TURN and other settling parties within three business days after such filings with the FCC.
5. No later than 180 days from the closing of the Transaction, Frontier, in consultation with ORA will select and retain an independent expert Survey Consultant ("Survey Consultant"). This Survey Consultant will not have previously provided any services or contract work with Frontier in California and shall act independently to develop the survey design and survey questions for a multi-lingual customer satisfaction survey in the

Verizon California service area. The Survey Consultant will solicit input from stakeholders, including Commission staff, Frontier, ORA and other consumer groups in jointly held meetings facilitated by the Survey Consultant. The survey design and questions must be finalized no later than nine months from the closing of the Transaction. The parties recognize and acknowledge that the survey responses will reflect the state of the Verizon California network as transferred to Frontier and Frontier's ongoing network initiatives. The survey design must include customers identified as having limited English proficiency, and must include some customers who speak at least the top three languages spoken in Verizon territory. The survey must measure customer satisfaction for broadband and voice services (including VoIP), and the effectiveness of efforts to educate customers on the limitations of VoIP during power outages and the necessity for maintaining battery back-up. Frontier shall cooperate with all reasonable requests from the Survey Consultant, including supply the Survey Consultant on a monthly basis the list of existing customers, closed and/or completed installation orders, from which the Survey Consultant will create its survey sample. The Survey Consultant shall solicit input, through meetings with Commission staff, Frontier, ORA and other consumer groups to design the structure and content of its reports containing the survey results on an ongoing basis. The surveys will commence 12 months from the closing the transaction and will continue for two years. The Survey Consultant shall issue a confidential a survey Report to Commission staff, Frontier, ORA and other groups that participated in the planning process containing the results of the survey every quarter. The final report shall be submitted 24 months from the commencement of the surveys.

6. Frontier shall submit to the Commission, with a copy to ORA, TURN and other settling parties, a multi-year confidential Network Plan by no later than December 15, 2016 with the specific plans for improving voice and broadband service quality, reliability, and availability throughout the Verizon California service area, including its commitments regarding G.O. 133-C and other service quality metrics in paragraph 16. More specifically, the Plan is to include the following:
 - a. Specific plans, including the specific types of network upgrades needed, to improve reliable and safe voice services in the following counties:
 - i. Los Angeles County
 - ii. San Bernardino County
 - iii. Riverside County
 - b. Specific plans, including the specific types of network upgrades needed, to improve broadband services in the following counties:
 - i. Los Angeles County
 - ii. San Bernardino County
 - iii. Riverside County
 - c. The Network Plan shall include at a minimum the following components:
 - i. Goals: general goal articulating the desired outcome.

- ii. Objectives: for each goal identify specific objectives that meet the S.M.A.R.T criteria: Specific, Measurable, Achievable, Realistic and Time-bound.
 - d. Specific goals and objectives to address outages (including, impacts user-minutes/DS3-minutes, durations, and affected users) pertaining to wireline, VoIP services, and broadband in California on the following FCC's categories:
 - i. 1350 DS3-minutes outages
 - ii. E-911 outage
 - iii. 900,000 user-minutes/VoIP-minute outages
 - iv. Blocked Calls
 - e. Specific goals and objectives to improve and meet on G.O. 133-C standards, to the extent the applicable standards are not being met.
7. Beginning December 31, 2016 and continuing through December 31, 2020, Frontier should provide the Commission with an annual, confidential report detailing Frontier's capital and operational expenditures related to planned actions identified in paragraphs #2 and 6 above. This report shall be filed on March 1st of the following year and should break down the data as specifically as possible and should include a comparison of the amount of expenditures as a percentage of total system expenditures and as an amount of expenditure per California access line. The report shall also include performance metrics to measure progress toward accomplishing the goals and objectives specified in Section 6.e.
 8. For a period of three years, commencing on January 1, 2017, Frontier will report to the Commission and ORA, on a quarterly basis, the following service quality metrics for Verizon California and Frontier California for voice services in California, including VoIP services, consistent with the reporting previously or currently required by G.O. 133-C standards for traditional voice services (copper and FiOS voice) and residential VoIP services:
 - Installation Interval
 - Installation Commitments
 - Customer Trouble Reports
 - Out of Service Repair Interval
 - Answer Time.
 9. Frontier will provide a copy of Federal Communications Commission (FCC) Network Outage Reporting System (NORS) reports for Verizon California and Frontier California VoIP services to the Commission and ORA, TURN and other settling parties within three business days after such filing with the FCC.
 10. For a period of three years, beginning one year after the transaction closing, Frontier shall provide a confidential annual report on Verizon California broadband performance metrics that includes:

- a. Annual data on residential broadband service outages. For each Level 2 and Level 3 service outage, the data should include:
 - i. Number of customers affected
 - ii. Incident Date
 - iii. Incident Time
 - iv. Duration of outage in total minutes
 - v. Outage restoration time
 - vi. Location of outage
 - vii. Description of the Cause
 - viii. Description of the incident, including description of the equipment that failed (if any) and location within the network that was impacted
 - ix. Methods used to restore the outage
 - x. Steps taken to prevent the outage from re-occurring
 - b. Service installation intervals (per month) for orders for new or revised residential broadband service received during the previous 12 months.
 - c. The total number of wireline residential broadband service orders received and the number of those orders completed, per month, during the previous 12 months.
 - d. For purposes of this Agreement, a Level 2 outage is a wireline residential broadband service outage impacting 500 to 1999 customers lasting four (4) hours or more and a Level 3 outage is a wireline residential broadband service outage impacting 2000 or more customers and last two (2) hours or more.
11. Frontier shall report, to the Commission and ORA, on an annual basis for three years post transaction, the placement of local and general managers and the locations they serve.
 12. Frontier will in accordance with standard industry practices coordinate the transition of the Verizon California 911 functionality or database systems. In conjunction with the transition of 911 functionality and systems, Frontier will conduct sampling tests to measure the proper functioning of the Automatic Number Identification (ANI) and Automatic Location Identification (ALI) systems in various locations throughout its territory in California and will report on the results of the tests to the Commission within 180 days after closing of the Transaction.
 13. Starting no later than 180 days following closing the transaction, Frontier shall (a) supply backup batteries with minimum standby times of 8 hours at no cost as part of any new installation of residential VoIP telephones, and offer to sell backup batteries at cost to any Verizon California residential customer subscribing to VoIP service. Frontier will comply with the guidelines for customer education programs regarding backup power systems adopted by this Commission in Decision (D.) 10-01-026 and, as part of the education program, notify Verizon California customers subscribing to VoIP service of the option to buy batteries at cost in its required notices specified in paragraph 14 below.
 14. Frontier shall advise all existing Verizon California customers of the necessity for using backup batteries in connection with a VoIP-based telephone system and the risks

associated with power outages. Such information shall be made available in different language versions, as well as large print and Braille versions for visually impaired customers, and shall be communicated to all Verizon California customers no later than 180 days following the effective date of the transaction. Frontier shall work with staff of the Commission's Communications Division to develop the form and language of such notices.

15. Frontier will agree to the following commitment regarding rates:

- a) Basic Residential Service Rate Caps. Until January 1, 2019, the basic primary residential rate for the Verizon California service areas will be capped at their current levels as of the date of the closing of this Transaction;
- b) Rates for Other Services. Until January 1, 2019, the rate for the following services for Verizon California will be capped at their current levels as of the date of the closing of the proposed Transaction: Caller ID, Call Waiting, Single Line Business Service, Directory Assistance, Non-Published Service and Inside Wire Maintenance.
- c) Exogenous Events. Notwithstanding the limitations included in paragraphs a and b, Frontier will be permitted to request reasonable recovery for the impact of exogenous events that materially impact the operations of Verizon California, including but not limited to, orders of the Federal Communications Commission ("FCC") and this Commission.

16. Frontier will address the Verizon California customer impacting service issues including network upgrade needs. Frontier is committed to identifying and addressing any service quality issues in the network it is acquiring from Verizon. Frontier has committed that 150 additional employees will be hired as described in the July 27, 2015 agreement with the Communications Workers of America ("CWA"), which will facilitate a good working relationship between the Company and its employees that is critical to providing quality customer service. In addition to those 150 employees, Frontier plans to add another 25 employees to the employee workforce for a net increase of 175 positions beyond the existing Verizon California employee base that transfers to Frontier. At least until March 2019, Frontier will dedicate a total of 50 of these 175 newly hired employees beyond the transferring Verizon California employee base to identifying and remedying network infrastructure and equipment issues that could impact customer service quality. Frontier shall also:

- i. meet the Commission's Out of Service (OOS) standards within twenty four months of the transaction's closing and endeavor to achieve the following milestones:
 - 80% OOS within 12 months;
 - 85% OOS within 18 months;
 - 90% OOS within 24 months;

- ii. provide credits to Verizon California voice customers who experience outages beyond 24 hours consistent the Citizens Telecommunications Company of California R.1.15 Rule No 15 Interruption of Service Outages; and
 - iii. meet the Commission's repair office answer time standard within twelve months of the transaction's closing.
- 17. For two years, Frontier shall offer broadband Internet access as a standalone service, for both FiOS or DSL.
- 18. Frontier will not require existing or new Verizon California customers served by copper facilities to migrate to FiOS services. Within 180 days from the closing of the transaction, Frontier will supply its customer service representative with training explaining that customers will not be required to migrate from copper to FiOS fiber-based services. Frontier will provide a copy of these confidential customer service training materials to ORA, TURN and other settling parties.
- 19. Frontier will evaluate customers subscribing to VoiceLink within 180 days after closing of the Transaction and submit a report to the Commission, ORA, TURN and other settling parties identifying timeline for migrating these customers onto a landline network. Frontier will not require a customer served by copper facilities to migrate to VoiceLink unless Frontier can demonstrate such migration is a necessary and temporary measure to ensure the customer has continuity of service while the copper service is being repaired.
- 20. Within 3 months from the closing of the proposed Transaction, Frontier will offer a reduced rate \$13.99 interim broadband Lifeline service throughout the Verizon California service territory to customers who have selected Frontier as their Lifeline voice service provider. The interim broadband Lifeline service shall provide speeds of up to 6Mbps/1Mbps and will be offered at a rate of \$13.99 (plus applicable taxes and surcharges). The service will include free installation and a free modem. This is an interim offering which shall be available to California consumers until Frontier makes available services pursuant to the FCC's broadband Lifeline program in California with sufficient time, of not less than 90 days, to transition to the FCC Program without undue disruption or hardship to the existing customer. Frontier will participate in the FCC's lifeline program that is being revised to provide an affordable, basic speed, stand-alone broadband internet service to low income customers. Frontier will continue to work with the FCC to advance the adoption of such a program and will publicize the availability of the program and implement the necessary processes to offer the service to all qualifying customers because it is committed to help bridge the "digital divide" by ensuring that affordable internet access is available for all at useable speeds.
- 21. Frontier agrees that the Company will not redline or otherwise exclude low income households in the deployment of broadband and other services, as demonstrated by the data provided in response to paragraph #3 above.

22. Frontier will lease additional fiber capacity from Digital 395, subject to Digital 395 honoring the pricing it has provided to Frontier, that would provide transport capacity for the following Verizon California exchanges serving approximately 35,000 households:

1. Big Pine
2. Benton
3. Boron
4. Bridgeport
5. Bishop
6. California City
7. Crowley Lake
8. Independence
9. Inyokern
10. June Lake
11. Lone Pine
12. Lee Vining
13. Mammoth Lakes
14. Olancha
15. Pinecreek
16. Ridgecrest
17. Randsburg
18. Trona

Frontier's lease of the Digital 395 fiber would provide Frontier with transport capacity for complete data path diversity from these communities to the Internet, along with the potential for voice path diversity in certain communities, depending on the network configuration and routing of traffic.

23. Frontier will provide the Commission and ORA, TURN and other settling parties an annual report detailing Frontier's compliance with all conditions the Commission imposes upon the company in its approval of the Application.

24 Frontier will comply with the FCC requirements regarding diverse or redundant physical circuit connections from the central office to 911 Selective Routers. By December 31, 2016, Frontier shall submit a Tier 3 Advice Letter containing a list of the Verizon California central offices which do not have a diverse or redundant physical circuit connection to their serving 911 Selective Router. The advice letter shall identify any additional Verizon California central offices, including the timeline, where Frontier plans to deploy redundant network facilities.

25. In order to ensure that consumers in rural areas within Frontier's service territory have reliable access to 9-1-1 services, by December 31, 2016, Frontier will issue a Tier 3 Advice Letter describing the backup power supplies for its remote terminals and microwave equipment that are used for any middle mile facilities or local distribution. The Advice Letter will identify any battery backup power supplies that are less than 8

hours, if any, and the actions Frontier will take, including potentially replacing battery units where it is operationally reasonable to do so, to mitigate the loss of service associated with any backup power supply with less than 8 hour life. Such Advice Letter will also confirm that Frontier is in compliance with all CPUC and FCC rules and regulations regarding backup power supplies; that the Company has implemented a preventative maintenance and review process to inspect and assess the backup power supplies for its remote terminals and microwave equipment; and secured and/or made arrangement for backup power generators to respond to storms, fires or natural disasters.

26. By December 31, 2016, Frontier will prepare and distribute one or more training module(s) to educate its California employees on important accessibility issues. Frontier will engage a consultant with expertise in consumer accessibility issues to assist in the preparation of the training materials. This training will, among other items, address the placement and location of communications equipment at the customer premises (e.g. ONT and battery) to prevent mobility access issues. Frontier will redistribute this training module annually to its California employees. Frontier will provide a copy of the training materials in advance to CforAT for comments and recommendations in preparing the training materials before the training is communicated to California employees.
27. Frontier has engaged a consultant to audit, advise and recommend actions to bring Frontier's consumer facing web pages in compliance with the applicable WCAG 2.0 AA standards. Based on the completion of that review, during 2016 Frontier will develop a plan for improving compliance with the WCAG 2.0 AA standards and will provide that plan to CforAT. In addition, Frontier shall appoint a lead person for consumer oriented content included at www.frontier.com who will become familiar with and remain current on WCAG 2.0 AA and succeeding standards and advise the Frontier Web Content team in meeting such standards as they may evolve in their work. Beginning one-hundred eighty (180) days after closing, all new California consumer oriented pages created by Frontier for the Frontier.com website will meet Web Access Standards, except where technical dependencies limit the ability of new web pages to meet these standards. If there are any such technical limitations, Frontier will document these dependencies and report this information to CforAT.
28. Frontier customers self-identifying or a customer who previously identified as having a disability on their account will be referred to the "Frontier Center for Customers with Disabilities" (FCCD), which will handle interactions with Frontier, including Text Telephone (TTY) and other communication options for hearing impaired, accommodations for those with impaired vision as well as those with cognitive, speech or mobility impairments. Frontier will make available Braille billing, Large Print billing, as well as other industry standard alternative formats, if requested, including to Verizon California customers that had previously requested alternative format billing. Customers who request to receive bills in an alternative format shall receive other billing and existing service communications from Frontier in the same format. Frontier's bill shall contain information about the availability of alternative formats and information on how such material can be requested. Within one-hundred eighty (180) days after closing, Frontier will consult with CforAT regarding existing service communications sent to

California customers to assess, whether and how to include Large Print and other formatting changes, to enhance important service information communications.

29. The Parties acknowledge that the Verizon Ratepayer Allocation issue raised by ORA is not being addressed by this Settlement and ORA and Frontier, as well as Verizon, may continue to advocate their respective positions related to the Verizon Ratepayer Allocation issue in this proceeding. For purposes of clarity, ORA and Frontier agree that this Settlement does resolve ORA's ratepayer allocation issues and proposed conditions (Condition number 29 in ORA's Opening Brief) related to Frontier. The Parties otherwise agree that all of the other issues that each such individual party respectively raised in this proceeding have been addressed for the purpose of this Settlement and each of these parties supports the Commission approving the Transaction pursuant to Public Utilities Code Section 854 and applicable law.
30. The Parties will file a Joint Motion seeking Commission approval of the Settlement in its entirety and without change.
31. The Parties agree to use their best efforts to obtain Commission approval of the Settlement. The Parties will request that the Commission approve the Settlement without change and find the Agreement to be reasonable, consistent with the law and in the public interest. The Parties will take no action in opposition to this Settlement.
32. This Settlement is being presented as integrated package such that Parties are agreeing to this Settlement as a whole, as opposed to agreeing to specific elements to this Settlement. If the Commission adopts this Settlement with modifications, all Parties must consent to the modifications or any Party may void this Settlement, but only after such Party provides the other Parties to the agreement with the opportunity to meet and confer in good faith regarding the proposed modifications.
33. This Settlement was jointly prepared by all of the parties to the Settlement and any uncertainty or ambiguity existing in the document will not be interpreted against any party on the basis that such party drafted or prepared the Settlement.
34. By signing below, each of the undersigned represents and warrants that he/she is authorized to sign this Settlement on behalf of the party for whom he/she signs and thereby binds such party to the terms of this Settlement.
35. This Settlement constitutes and represents the entire agreement between the parties and supersedes all prior and contemporaneous agreements, negotiations, representations, warranties and understandings of the parties with respect to the subject matter set forth herein.
36. The Parties agree that the Commission's adoption of this Settlement should not be construed as an admission or waiver by any Party regarding any fact, matter of law, or issue thereof that pertains to the subject of this Settlement. Further, the Parties agree that the obligations set forth in this Settlement are without prejudice to positions each Party has taken, or may hereafter take, in any proceeding in another state, or in any proceeding

at the Commission. In accordance with the Commission's Rules of Practice and Procedure, Rule 12.5, the Parties intend that the Commission's adoption of this Settlement be binding on each Party, including its legal successors, predecessors, assigns, partners, joint ventures, shareholders, members, representatives, agents, attorneys, parent or subsidiary companies, affiliates, officers, directors, and/or employees. Adoption of this Settlement does not constitute approval of, or precedent regarding, any principle in any future proceeding, unless the Commission expressly provides otherwise.

37. If a Party fails to perform its respective obligations under this Settlement, after reasonable notice and opportunity to cure its default, any other Party may come before the Commission to pursue a remedy including enforcement. The Parties acknowledge that the Commission may assert jurisdiction to enforce the terms and conditions of this Settlement.
38. This Settlement may be amended or changed only by a written agreement signed by all parties and approved by the Commission.
39. This Settlement shall be governed by and interpreted in accordance with the laws of the State of California and the rules, regulations and General Orders of the California Public Utilities Commission.
40. This Settlement Agreement may be executed in one or more counterparts, and each of which when so executed and delivered will be an original and all of which together will constitute one and the same instrument.

Signature Page to Follow:

Executed on: October 30, 2015

Signed by:



Frontier Communications Corporation

Printed Name: Melinda White

Title: President – West Region

Office of Ratepayers Advocates

Printed Name: _____

Title: _____

The Utility Reform Network

Printed Name: _____

Title: _____

Center for Accessible Technology

Printed Name: _____

Title: _____

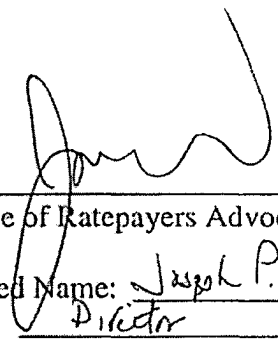
Executed on: October 30, 2015

Signed by:

Frontier Communications Corporation

Printed Name: _____

Title: _____



Office of Ratepayers Advocates

Printed Name: Joseph P. Como

Title: Director

The Utility Reform Network

Printed Name: _____

Title: _____

Center for Accessible Technology

Printed Name: _____

Title: _____

Executed on: October 30, 2015

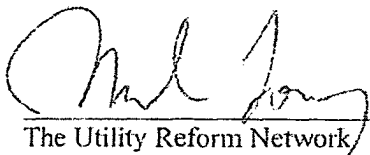
Signed by:

Frontier Communications Corporation

Printed Name: _____
Title: _____

Office of Ratepayers Advocates

Printed Name: _____
Title: _____



The Utility Reform Network

Printed Name: Mark W. Toney, Ph.D.
Title: Executive Director



Center for Accessible Technology

Printed Name: Melissa Kasnitz (CAM)
Title: Legal Counsel (CAM)