



1201 K Street, Suite 1980
Sacramento, CA 95814
916-683-7989

March 1, 2019

VIA ELECTRONIC FILING

Ms. Alice Stebbins
Executive Director, Communications Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3288

Re: Frontier's General Order 156 Compliance Filing - 2018 Annual Report and Annual Plan

Dear Ms. Stebbins:

Pursuant to General Order 156 ("GO 156"), Frontier California Inc. (U-1002-C), Citizens Telecommunications of California Inc. (U-1024-C) and Frontier Communications of the Southwest Inc. (U-1026-C), (collectively "Frontier") hereby electronically files its 2018 Annual Report and Annual Plan in compliance with GO 156, Sections 9 and 10. This report is available to others upon request.

Please contact me with any questions at charlie.born@ftr.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Charlie Born".

Charlie Born
Director, Government and External Affairs

cc: Stephanie.Green@cpuc.ca.gov



2018 ANNUAL REPORT AND ANNUAL PLAN

**WOMEN, MINORITY, DISABLED VETERAN, AND
LGBT OWNED BUSINESS ENTERPRISES**

**California Public Utilities Commission
March 1, 2019**



2018 ANNUAL REPORT AND ANNUAL PLAN

TABLE OF CONTENTS

Section	Description	Page
	INTRODUCTION	4
9.0	2018 ANNUAL REPORT	
9.1.1	Description of WMDVLGBTBE Program Activities During the Previous Calendar Year	5
9.1.2	WMDVLGBTBE Annual Results by Ethnicity	8
9.1.2	WMDVLGBTBE Direct Procurement by Product and Service Categories	9
9.1.2	WMDVLGBTBE Subcontractor Procurement by Product and Service Categories	10
9.1.2	WMDVLGBTBE Procurement by Standard Industrial Categories	11
9.1.2	Number of WMDVLGBTBE Suppliers and Revenue Reported to the Clearinghouse	12
9.1.2	Description of WMDVLGBTBE Suppliers with California Majority Workforce	12
9.1.3	WMDVLGBTBE Program Expenses	13
9.1.4	Description of Progress in Meeting or Exceeding Set Goals	14
9.1.4	WMDVLGBTBE Results and Goals	14
9.1.5	Description of Prime Contractor Utilization of WMDVLGBTBE Subcontractors	16
9.1.5	Summary of Prime Contractor Utilization of WMDVLGBTBE Subcontractors	16
9.1.6	A List of WMDVLGBTBE Complaints Received and Current Status	17
9.1.7	Description of Efforts to Recruit WMDVLGBTBE Suppliers in Low Utilization Categories	17
9.1.11	WMDVLGBTBE Fuel Procurement	17
10.0	2018 ANNUAL PLAN	
10.1.1	WMDVLGBTBE Annual SHORT, MID, AND LONG-TERM Goals	17
10.1.2	Description of WMDVLGBTBE Planned Program Activities for the Next Calendar Year	19
10.1.3	Plans for Recruiting WMDVLGBTBE Suppliers in Low Utilization Areas	20
10.1.4	Plans for Recruiting WMDVLGBTBE Suppliers Where Unavailable	20
10.1.5	Plans for Encouraging Prime Contractors to Subcontract WMDVLGBTBE Suppliers	21
10.1.6	Plans for Complying with WMDVLGBTBE Program Guidelines	21

INTRODUCTION

Frontier California Inc. (U-1002-C), Citizens Telecommunications of California Inc. (U-1024-C) and Frontier Communications of the Southwest Inc. (U-1026-C), (collectively “Frontier”) submits this consolidated 2018 Annual Report and Annual Plan in compliance with General Order 156 (“GO 156”) of the California Public Utilities Commission (“CPUC”).

This report documents Frontier’s supplier diversity activities and results for 2018, the second full year since Frontier assumed operation of the landline operations of Verizon California Inc. as approved in D.15-12-005. Frontier has made significant progress in achieving GO 156 goals and supplier diversity commitments made in the acquisition, including a 12 percent annual increase in total spend with diverse suppliers – from 36.09 percent in 2017 to 40.47 percent in 2018.

Frontier has made supplier diversity a priority with senior leadership and throughout the organization as a component of an overall corporate commitment to diversity and inclusion. This report describes Frontier’s specific procurement practices, internal program activities, and significant partnerships with external organizations that are driving Frontier’s continued improvement in achieving GO 156 goals. Frontier’s total 2018 spend with minority business enterprises (“MBE”) and women business enterprises (“WBE”) exceeded GO 156 goals. Frontier has developed targeted initiatives designed to increase procurement opportunities for disabled veteran business enterprises (“DVBE”) and lesbian, gay, bisexual and transgender (“LGBT”) business enterprises.

Frontier actively seeks procurement opportunities for WMDVLGBTBEs to increase their capacity and grow our supplier diversity program. However, we are sometimes impacted by changes in structure, ownership and certification of WMDVLGBTBEs. Supplier diversity is a journey not a destination. At Frontier, we realize that supplier diversity requires a focused commitment for continued improvement and Frontier is committed to providing access, growth and development opportunities for WMDVLGBTBEs.

Frontier is committed to continuous improvement in its supplier diversity program, including significant initiatives for 2018 described in this report, aimed at achieving results to meet or exceed GO 156 goals in all categories.

Frontier discusses each topic required in this report in Sections 9.1.1 through 9.1.11.

9.0 2018 ANNUAL REPORT

Frontier Communications	2018	G.O. #156 Sec. 9.1.1
Description of WMDVLGBTBE Program Activities During the Previous Calendar Year		

Frontier is committed to increasing year over year spend with diverse suppliers. In 2018, Frontier continued to focus on total spend improvement to meet its women, minority, disabled veteran, and lesbian, gay, bisexual and transgender business enterprise (WMDVLGBTBE) goals. Including diverse suppliers in our sourcing process allows us to provide unsurpassed value to our customers by helping increase the number and types of quality products and services Frontier offers.

INTERNAL PROGRAM ACTIVITIES

Below are some of the highlights from 2018:

- In 2018, Frontier’s strategic sourcing team renegotiated grandfathered service agreements in the category of construction and outside plant maintenance to provide additional access for California WMDVLGBTBEs.
- Frontier continued its commitment to supplier diversity by communicating the importance of and how to include diverse suppliers in the sourcing process to California employees with operations and purchasing responsibilities. Frontier’s senior leadership issued multiple communications outlining the importance of and our commitment to supplier diversity.
- Frontier has continued to make significant investments in technology to improve our ability to register and monitor suppliers in our online strategic sourcing portal.
- The Frontier sourcing team performed a detailed evaluation of spend to identify goods and services that are coming up for bid to ensure that we are focused on areas where we can make an impact.
- Frontier has continued to review group and individual diverse spending goals in order to drive utilization of diverse suppliers.
- Frontier reviewed detailed spend analytics that categorize vendors and spend; and allows users to identify top areas of opportunity. We have built out a robust calendar of sourcing opportunities that is reviewed at least quarterly by program leadership to ensure diverse suppliers are included in spend opportunities.

EXTERNAL PROGRAM ACTIVITIES

- Frontier continued to encourage its prime suppliers to include WMDVLGBTBEs in their subcontracting activities and report on their results. We encouraged our vendors to report Tier 2 spend on a quarterly basis. The implementation of technology has dramatically increased our visibility and control over the program. As a result, Frontier experienced significant improvements in Tier 2 tracking and reporting.
- In 2018, Frontier hosted supplier sessions in the categories of facilities and construction. The sessions matched Frontier prime suppliers with pre-vetted MWDVLGBTBE suppliers recommended for participation by local chambers and community-based organizations. The sessions included discussions of prime contractor requirements and contracting opportunities for MWDVLGBTBE suppliers.
- Frontier held its 2018 Supplier Summit at its offices in Thousand Oaks, California. The two-day event brought together representatives from 25 of Frontier’s prime suppliers. Day one of the Supplier Summit was aimed at reinforcing the relationship between Frontier and its key prime suppliers. The second day of the Supplier Summit gave key Frontier business leaders the opportunity to meet with 10 diverse suppliers and provided an excellent opportunity to make new business connections and strengthen existing relationships.

The following are some of the matchmaking sessions and events Frontier sponsored or participated in across the state.

- Frontier partnered with the Asian Business Association – Los Angeles on its “Women Business Pioneers Symposium” designed to celebrate the achievements of Asian American women, and to provide an opportunity to learn from successful female businesswomen., Frontier’s Director of Strategic Sourcing & Supplier Diversity represented Frontier at the matchmaking session.
- Frontier participated in the American Indian Chamber of Commerce of California’s “Capacity Building Training Program” designed to provide American Indian business owners with practical information and training on starting new businesses, capacity building for existing businesses, and providing technical support for all business sizes once they receive procurement opportunities. For the second year, Frontier’s sales directors provided mentorship to the youth at the 2018 Youth Expo.
- Frontier was the premier sponsor of the Black Business Association’s 2018 “Procurement Summit Series”. The summit focuses on specific contracting opportunity areas and educated businesses on what is required to compete in these spaces and match prepared, experienced diverse businesses with procurement and business line decision makers. Frontier’s Director of Strategic Sourcing & Supplier Diversity represented Frontier at the matchmaking session and participated in the panel discussion.

Frontier Communications

- Frontier partnered with the California Black Chamber of Commerce on the “2018 Legislative Reception and Policy Luncheon.”
- Frontier sponsored the California Conference of the NAACP on its 6th Annual Hall of Fame Event. The event honors extraordinary individuals who have made their mark in history and positively impacted lives through their public service, leadership and philanthropic endeavors.
- Frontier partnered with the Greenlining Institute on its 25th Annual Economic Summit. The summit brings together nearly 1,000 cross-sector leaders to collaborate on solutions to the most pressing issues facing communities of color.
- In 2018, Frontier partnered with the Latin Business Association (“LBA”) on its “Supplier Diversity Procurement Boot Camp.” The boot camp offers hands on training on the key elements of what it takes to develop and sustain a high-performance business.
- Frontier partnered with the National Asian American Coalition on its “15th Annual Economic Development & Empowerment Conference.” The conference focused on small business innovations and growth challenges.
- Frontier partnered with Veterans in Business on its “2nd Annual National Convention.” Over 300 veteran businesses, corporations, and government agencies were in attendance. This two-day conference featured motivational speakers, exhibitors, workshops and networking. Frontier’s Director of Strategic Sourcing & Supplier Diversity was the recipient of the “Bravo Zulu Award” which recognizes her hard work in helping the veteran business community succeed.

Frontier Communications

9.1.2 WMDVLGBTBE Annual Results by Ethnicity

Frontier Communications		2018		G.O. #156 Sec. 9.1.2		
WMDVLGBTBE Annual Results by Ethnicity						
		2018] of Report				
		Direct	Sub	Total \$	%	
1	Minority Male	Asian Pacific American	\$4,142,678	\$311,865	\$4,454,543	2.27%
2		African American	\$0	\$2,376,668	\$2,376,668	1.21%
3		Hispanic American	\$26,384,187	\$0	\$26,384,187	13.46%
4		Native American	\$9,455	\$0	\$9,455	0.00%
5		Total Minority Male	\$30,536,320	\$2,688,533	\$33,224,853	16.94%
6	Minority Female	Asian Pacific American	\$33,652	\$763,572	\$797,224	0.40%
7		African American	\$0	\$0	\$0	0.00%
8		Hispanic American	\$6,468,883	\$5,855,726	\$12,324,609	6.29%
9		Native American	\$30,537	\$159,940	\$190,477	0.10%
10		Total Minority Female	\$6,533,071	\$6,779,238	\$13,312,309	6.79%
11	Total Minority Business Enterprise (MBE)		\$37,069,391	\$9,467,771	\$46,537,162	23.73%
12	Women Business Enterprise (WBE)		\$26,385,668	\$4,918,597	\$31,304,265	15.97%
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		\$0	\$0	\$0	0.00%
14	Disabled Veteran Business Enterprise (DVBE)		\$1,356,734	\$153,113	\$1,509,847	0.77%
15	Other 8(a)*		\$0	\$0	\$0	0.00%
16	TOTAL WMDVLGBTBE		\$64,811,793	\$14,539,481	\$79,351,274	40.47%
17	Net Procurement**		\$196,075,192			
NOTE: * FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE						
** NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS						
Direct - DIRECT PROCUREMENT						
Sub - SUBCONTRACTOR PROCUREMENT						
% - PERCENTAGE OF NET PROCUREMENT						

Frontier Communications

Frontier Communications		2018				G.O. #156 Sec. 9.1.2			
WMDVLGBTBE Direct Procurement by Product and Service Categories									
				Products		Services		Total	
				\$	%	\$	%	\$	%
1	Minority Male	Asian Pacific American	Direct	\$3,695,257	1.88%	\$447,421	0.23%	\$4,142,678	2.11%
2		African American	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
3		Hispanic American	Direct	\$10,457,384	5.33%	\$15,926,803	8.12%	\$26,384,187	13.45%
4		Native American	Direct	\$0.00	0.00%	\$9,455	0.00%	\$9,455	0.00%
5		Total Minority Male	Direct	\$14,152,641	7.22%	\$16,383,679	8.35%	\$30,536,320	15.57%
6	Minority Female	Asian Pacific American	Direct		0.00%	\$33,652	0.02%	\$33,652	0.02%
7		African American	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
8		Hispanic American	Direct	\$0	0.00%	\$6,468,882	3.30%	\$6,468,883	3.30%
9		Native American	Direct		0.00%	\$30,537	0.00%	\$30,537	0.00%
10		Total Minority Female	Direct	\$0	0.00%	\$6,533,071	3.33%	\$6,533,071	3.33%
11	Total Minority Business Enterprise (MBE)		Direct	\$14,152,641	7.22%	\$22,916,750	11.69%	\$37,069,391	18.91%
12	Women Business Enterprise (WBE)		Direct	\$18,163,203	9.26%	\$8,222,465	4.20%	\$26,385,668	13.46%
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
14	Disabled Veteran Business Enterprise (DVBE)		Direct	\$22,090	0.01%	\$1,334,644	0.68%	\$1,356,734	0.69%
15	Other 8(a)*		Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
16	TOTAL WMDVLGBTBE		Direct	\$32,337,934	16.49%	\$32,473,859	16.56%	\$64,811,793	33.05%
17	Total Product Procurement			\$32,337,934					
18	Total Service Procurement			\$32,473,859					
19	Net Procurement**			\$196,075,192					
20	Total Number of WMDVLGBTBEs that Received Direct Spend			88					
NOTE: * FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE ** NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS Direct - DIRECT PROCUREMENT Sub - SUBCONTRACTOR PROCUREMENT % - PERCENTAGE OF NET PROCUREMENT									

Frontier Communications

Frontier Communications			2018				G.O. #156 Sec. 9.1.2			
WMDVLGBTBE Subcontractor Procurement by Product and Service Categories										
				Products		Services		Total		
				\$	%	\$	%	\$	%	
1	Minority Male	Asian Pacific American	Sub	421	0.00%	\$311,444	0.16%	\$311,865	0.16%	
2		African American	Sub	2,208,981	1.13%	\$167,687	0.08%	\$2,376,668	1.21%	
3		Hispanic American	Sub	0	0.00%	\$0	0.00%	\$0	0.00%	
4		Native American	Sub	0	0.00%	\$0	0.00%	\$0	0.00%	
5		Total Minority Male	Sub	2,209,402	1.13%	\$479,131	0.24%	\$2,688,533	1.37%	
6	Minority Female	Asian Pacific American	Sub	146,369	0.07%	\$617,203	0.31%	\$763,572	0.38%	
7		African American	Sub	0	0.00%	\$0	0.00%	\$0	0.00%	
8		Hispanic American	Sub	\$5,770,565	2.94%	\$85,161	0.04%	\$5,855,726	2.98%	
9		Native American	Sub	0	0.00%	\$159,940	0.08%	\$159,940	0.08%	
10		Total Minority Female	Sub	5,916,935	3.02%	\$862,303	0.43%	\$6,779,238	3.45%	
11	Total Minority Business Enterprise (MBE)		Sub	\$8,126,337.00	4.14%	\$1,341,434.00	0.68%	\$9,467,771	4.82%	
12	Women Business Enterprise (WBE)		Sub	\$2,228,324.00	1.14%	\$2,690,273.00	1.37%	\$4,918,597	2.51%	
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Sub	\$0.00	0.00%	\$0.00	0.00%	\$0	0.00%	
14	Disabled Veteran Business Enterprise (DVBE)		Sub	\$0.00	0.00%	\$153,113.00	0.07%	\$153,113	0.08%	
15	Other 8(a)*		Sub	\$0.00	0.00%	\$0.00	0.00%	\$0	0.00%	
16	TOTAL WMDVLGBTBE		Sub	\$10,354,661	5.28%	\$4,184,820	2.13%	\$14,539,481	7.42%	
17	Total Product Procurement			\$10,354,661						
18	Total Service Procurement			\$4,184,820						
19	Net Procurement**			\$196,075,192						
NOTE: * FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE ** NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS Direct - DIRECT PROCUREMENT Sub - SUBCONTRACTOR PROCUREMENT %- PERCENTAGE OF NET PROCUREMENT										

Frontier Communications

Frontier Communications	2018	G. O. #156 Sec 9.1.2
WMDVLGBTBE Procurement by Standard Industrial Categories		

SIC Category	Asian Pacific American		African American		Hispanic American		Native American		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	Other 8(a)**	Total WMDVLGBTBE	Total Dollars
	Male	Female	Male	Female	Male	Female	Male	Female							
Category 15 - Building Construction - General Construction, Operative Builders	\$ 3,792,942	\$65,504			\$14,399,668	\$ 773,539			\$19,031,653	\$ 3,916		\$ 1,088,749		\$20,124,318	\$ 60,397,752
	% 1.93%	0.03%			7.34%	0.39%			9.71%	0.0%		0.56%		10.26%	30.80%
Category 47 - Transportation Services			\$2,376,668			\$ 71,186			\$2,447,854	\$108,510				\$2,556,364	\$ 2,828,538
			1.21%			0.3%			1.25%	0.05%				1.30%	1.44%
Category 48 - Business Consulting Services, Not Elsewhere Classified	\$ 79,158					\$5,857,043			\$5,936,201	\$ 585,789				\$6,521,990	\$ 11,441,743
	% 0.04%					2.99%			3.03%	0.30%				3.33%	5.84%
Category 75 - Repair and Service	\$ 2,168								\$2,168	\$511,700		\$17,145		\$531,013	\$ 5,259,259
	% 0.0%								0.0%	0.26%		0.0%		0.27%	2.68%
Category 73- Business Services	\$ 2,126	\$731,720						\$190,477	\$926,188	\$12,430,668				\$13,356,856	\$ 23,707,997
	% 0.0%	0.37%						0.10%	0.47%	6.33%				6.81%	12.10%
Category 72 - Logistics & Shipping										\$5,729,415				\$5,729,415	\$ 9,498,494
										2.92%				2.92%	4.84%
Category 87 - Facilities					\$3,299,914				\$3,832,914	\$971,506		\$140,011		\$4,944,431	\$ 20,003,523
					1.68%				1.95%	0.50%		0.07%		2.52%	10.20%
Category 36 - Engineering & Maintenance Services	\$ 578,149				\$8,684,605	\$5,622,741	\$9,455		\$14,360,132	\$10,962,811		\$126,142		\$25,586,886	\$ 62,937,887
	% 0.3%				4.43%	2.87%	0.0%		7.33%	5.59%		0.13%		13.05%	32.10%
															\$ 196,075,192
TOTAL	\$ 4,454,543	\$797,224	\$2,376,668	\$ -	\$26,384,187	\$12,324,609	\$9,455	\$190,477	\$46,537,162	\$31,304,265	\$ -	\$1,509,847	\$ -	\$79,351,274	\$196,075,192
	% 2.27%	0.40%	1.21%	0%	13.46%	6.29%	0%	0.10%	23.73%	15.97%	0%	0.77%	0%	40.47%	100%

Total Product Procurement	\$42,692,595
Total Service Procurement	\$153,382,597
Net Procurement***	\$196,075,192

NOTE: FIRMS WITH MULT MINORITY OWNERSHIP STATUS
 **FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE
 ***NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS
 TOTAL DOLLARS - TOTAL PROCUREMENT DOLLAR AMOUNT IN THE SPECIFIC SIC CATEGORY
 % - PERCENTAGE OF TOTAL DOLLARS

Frontier Communications

Frontier Communications		2018					G. O. #156 Sec 9.1.2 (D.11-05-019 & D.06-11-028)						
Number of WMDVLGBTBE Suppliers and Revenue Reported to the Clearinghouse													
Data on Number of Suppliers													
Revenue Reported to CHS							Utility-Specific 2018 Summary						
# WMDVLGBTBEs	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total	
Under \$1 million	5	0	0	4	0	21	5	0	0	4	0	21	
Under \$5 million	11	23	0	3	0	21	11	23	0	3	0	21	
Under \$10 million	2	7	0	2	0	26	2	7	0	2	0	26	
Above \$10 million	21	10	0	0	0	20	21	10	0	0	0	20	
TOTAL	39	40	0	9	0	88	39	40	0	9	0	88	
Revenue and Payment Data													
Revenue Reported to CHS							Utility-Specific 2018 Summary						
WMDVLGBTBE \$M	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total	
Under \$1 million	\$ 4,368,188	0	0	0	0	\$ 4,368,188	\$ 21,109,903	\$ -	\$ -	\$ 288,439	\$ -	\$ -	
Under \$5 million	\$ 34,768,817	\$ 13,716,500	0	0	0	\$ 48,485,317	\$ 2,120,847	\$ 13,960,670	\$ -	\$ 1,068,295	\$ -	\$ -	
Under \$10 million	\$ 65,297,620	\$ 35,527,537	0	0	0	\$ 100,825,157	\$ 446,748	\$ 12,238,196	\$ -	\$ -	\$ -	\$ -	
Above \$10 million	\$834,286,570	\$ 110,863,397	0	0	0	\$ 945,149,967	\$ 13,391,893	\$ 186,802	\$ -	\$ -	\$ -	\$ -	
TOTAL	\$899,584,190	\$ 160,107,434	0	0	0	\$ 1,098,828,629	\$ 37,069,391	\$ 26,385,668	\$ -	\$ 1,356,734	\$ -	\$ 64,811,793	
NOTE: * FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE													
CHS: SUPPLIER CLEARINGHOUSE													

Frontier Communications	2018	G.O. #156 Sec. 9.1.2
Description of WMDVLGBTBEs with CA Majority Workforce		

This information is not readily accessible and is not tracked by Frontier.

Frontier Communications

Frontier Communications	2018	G.O. #156 Sec. 9.1.3
WMDVLGBTBE Program Expenses		

The following is a summary of Frontier's WMDVLGBTBE program expenses incurred in 2018.

Expense Category	2018
Wages	\$250,000
Other Employee Expenses	\$18,575
Program Expenses	\$15,000
Reporting Expenses	\$112,700
Training	\$0
Consultants	\$0
Sponsorships	\$109,871
TOTAL	\$506,146

9.1.4 A DESCRIPTION OF PROGRESS IN MEETING OR EXCEEDING SET GOALS AND AN EXPLANATION OF ANY CIRCUMSTANCES THAT MAY HAVE CAUSED THE UTILITY TO FALL SHORT OF ITS GOALS

In 2018, Frontier spent 40.47 percent of its procurement dollars with women, minority, and disabled veteran owned business enterprises. Frontier exceeded the GO 156 diversity spend goals for women and minority owned business enterprises. However, Frontier’s efforts with DVLGBTBE came in below target. In 2018, in an effort to increase spend with DVBEs, Frontier entered negotiations with a DVBE supplier to support logistics and peripherals. Additionally, in 2019, Frontier is developing relationships with LGBTBE construction suppliers for upcoming projects. These initiatives will provide procurement opportunities for DVLGBTBE suppliers in 2019 and beyond.

Frontier Communications		2018		G.O. #156 Sec. 9.1.4	
WMDVLGBTBE Results and Goals					
Category		2018 Results	2018 Goals		
Minority Men		16.94%	15%		
Minority Women		6.79%	5%		
Minority Business Enterprise (MBE)		23.73%	20%		
Women Business Enterprise (WBE)		15.97%	5%		
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		0.00%	0%		
Disabled Veteran Business (DVBE)		0.77%	1.50%		
TOTAL WMDVLGBTBE		40.47%	26.50%		
%- PERCENTAGE OF NET PROCUREMENT					

Frontier closely monitored progress and took additional steps to meet its WMDVLGBTBEs goals through the procurement opportunities associated with construction, outside plant maintenance and materials management. Frontier’s supplier diversity team led a strategic cross-functional effort to identify key focus areas. The team targeted large and small Request for Proposals (“RFP”) across the various products/services that had California spend impact. Some of these products and services included fiber optic cable, inside wire, network construction, and fiber to the premises (“FTTP”). The supplier diversity team worked directly with cross-functional teams to ensure that WMDVLGBTBE suppliers were considered for every opportunity.

Frontier Communications

Category	2016	2017	2018
Total WMDVLGBTBE Spend	\$52,510,165	\$80,824,211	\$79,351,274
MBE Total	\$34,284,530	\$51,273,093	\$46,537,162
WBE Total	\$17,535,088	\$27,765,467	\$31,304,265
DVBE Total	\$661,973	\$1,785,651	\$1,509,847
LGBT Total	\$28,574	\$0	\$0

The 2018 reported WMDVLGBTBEs overall expenditures of \$79,351,274 represents a slight year over year decrease in WMDVLGBTBEs spend. This decrease is attributed to the loss of nearly \$5 million in diversity spend with two minority women owned businesses that experienced a change of ownership structure in 2018. While these changes can be unexpected and may have a negative impact on overall diversity spend numbers, they are not reflective of an ineffective program, rather, a measure of success as the entrepreneurs liquidating all or part of their ownership. One of the primary goals of the program is to assist in the growth of diverse businesses, and this is a natural byproduct of business successes. Frontier is encouraged by the success of these two businesses and remain steadfast in our commitment to provide opportunities for diverse businesses to succeed.

9.1.5 DESCRIPTION OF PRIME CONTRACTOR UTILIZATION OF WMDVLGBTBE SUBCONTRACTORS

Frontier’s supply chain/strategic sourcing department continued to focus on second tier spend that provided a direct means to increase contracting opportunities for WMDVLGBTBEs through prime supplier engagement.

Frontier’s supply chain/strategic sourcing department renegotiated grandfathered agreements to ensure diversity clauses are included in applicable supplier agreements. We also requested that new suppliers certify WMDVLGBTBE status during initial registration via our online portal. Frontier’s supply chain/strategic sourcing department also worked with prime suppliers to ensure utilization of diverse suppliers and to ensure they meet their utilization requirements. In addition, Frontier encouraged prime suppliers to explore areas of opportunity and expansion of WMDVLGBTBEs.

Frontier Communications	2018		G.O. #156 Sec. 9.1.5					
Summary of Prime Contractor Utilization of WMDVLGBTBE Subcontractors								
	Minority Male	Minority Female	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	Other 8(a)*	TOTAL WMDVLGBTBE
Direct \$	\$30,536,320	\$6,533,071	\$37,069,391	\$26,385,668	\$0	\$1,356,734	\$0	\$64,811,793
Subcontracting \$	\$2,688,533	\$6,779,238	\$9,467,771	\$4,918,597	\$0	\$153,113	\$0	\$14,539,481
Total \$	\$33,224,853	\$13,312,309	\$46,537,162	\$31,304,265	\$0	\$1,509,847	\$0	\$79,351,274
Direct %	15.57%	3.33%	18.91%	13.46%	0.00%	0.69%	0.00%	0.00%
Subcontracting %	1.37%	3.46%	4.82%	2.51%	0.00%	0.08%	0.00%	0.00%
Total %	16.94%	6.79%	23.73%	15.97%	0.00%	0.77%	0.00%	40.47%
Net Procurement**	\$196,075,192							
NOTE: *FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE								
**NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS								
% - PERCENTAGE OF NET PROCUREMENT								
Direct - DIRECT PROCUREMENT								
Sub - SUBCONTRACTOR PROCUREMENT								

9.1.6 A LIST OF WMDVLGBTBE COMPLAINTS RECEIVED DURING THE PAST YEAR, ACCOMPANIED BY A BRIEF DESCRIPTION OF THE NATURE OF EACH COMPLAINT AND ITS RESOLUTION OR CURRENT STATUS:

Frontier continued its internal appeals process as outlined in GO 156, Section 7, to accept, review and resolve complaints relating to Frontier’s supplier diversity program. Frontier did not receive any formal complaints filed with the CPUC in connection with its program during the 2018 reporting period.

9.1.7 A DESCRIPTION OF ANY EFFORTS MADE TO RECRUIT WMDVLGBTBE SUPPLIERS OF PRODUCTS OR SERVICES IN PURCHASING CATEGORIES WHERE WMDVLGBTBE UTILIZATION HAS BEEN LOW, SUCH AS LEGAL AND FINANCIAL SERVICES, FUEL PROCUREMENT, AND AREAS THAT ARE CONSIDERED HIGHLY TECHNICAL IN NATURE.

Frontier continued to focus on areas of low utilization. To identify diverse suppliers in areas of low utilization, Frontier has:

- Searched for WMDVLGBTBEs within the low utilization categories to make contact and develop relationships that may lead to procurement opportunities.
- Worked actively with other utilities to share ideas on how to identify and solicit new WMDVLGBTBEs.
- Worked with WMDVLGBTBEs that are not certified with the Clearinghouse to complete the necessary documentation to become certified.
- Collaborated with the Small Business Association to identify small minority businesses for procurement opportunities.

9.1.11 WMDVLGBTBE FUEL PROCUREMENT

Not Applicable

10.0 2018 ANNUAL PLAN

10.1.1 WMDVLGBTBE SHORT-TERM, MID-TERM AND LONG-TERM GOALS

GO 156, Section 10.1.1 requires that the annual plan include a discussion of the short-, mid- and long-term goals as required by Section 8. Frontier has provided these goals on the attached spreadsheet, with a breakdown by Standard Industrial Classification (“SIC”) Major Group, and Product category, for the utilization of WMDVLGBTBE vendors. Frontier’s goals recognize our continued commitment to provide WMDVLGBTBEs opportunities.

Frontier Communications	2018	G.O. #156 Sec. 10.1.1
WMDVLGBTBE Annual SHORT, MID, AND LONG-TERM Goals by Product and Service Category		

	Short-Term 2019					Mid-Term 2021					Long-Term 2022				
	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	WMDVLGBTBE	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	WMDVLGBTBE	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	WMDVLGBTBE
Products															
Category 34 - Fabricated Products & Transport Equip	0.00%	1.00%	0.00%	2.00%	3.00%	1.50%	0.00%	0.00%	2.50%	4.00%	2.00%	1.00%	0.00%	5.00%	8.00%
Category 35 - Industrial & Computer Machinery	1.20%	0.80%	0.00%	0.00%	2.00%	2.00%	1.00%	0.00%	0.00%	3.00%	3.00%	3.00%	0.00%	0.00%	6.00%
Category 36 - Electrical Equipment Components	4.50%	1.50%	0.00%	0.00%	6.00%	4.50%	1.50%	0.00%	0.00%	6.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Category 38 - Measurement Equipment	0.00%	1.00%	0.00%	0.00%	1.00%	0.00%	0.00%	1.00%	0.00%	1.00%	0.00%	0.00%	2.00%	0.00%	2.00%
Category 50 - Durable Goods	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Category 51 - Wholesale Trade - Nondurable goods	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Subtotal	5.70%	4.30%	0.00%	2.00%	12.00%	8.00%	2.50%	1.00%	2.50%	14.00%	5.00%	4.00%	2.00%	5.00%	16.00%

	Short-Term 2019					Mid-Term 2021					Long-Term 2022				
	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	WMDVLGBTBE	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	WMDVLGBTBE	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	WMDVLGBTBE
Services															
Category 15 - Building Construction - General Construction, Operative Builders	5.00%	3.00%	0.50%	2.00%	10.50%	5.00%	3.75%	1.00%	3.00%	12.75%	5.50%	3.75%	1.50%	3.00%	13.75%
Category 48 - Business Consulting Services, Not Elsewhere Classified	0.00%	4.00%	0.00%	1.00%	5.00%	0.00%	4.00%	0.00%	0.00%	4.00%	0.00%	5.00%	0.00%	0.00%	5.00%
Category 75 - Automotive Repair and Service	3.00%	0.00%	0.00%	0.00%	3.00%	3.25%	0.00%	0.00%	0.00%	3.25%	4.00%	0.00%	0.00%	0.00%	4.00%
Category 73- Business Services	3.00%	3.00%	0.00%	0.00%	6.00%	4.00%	3.00%	0.00%	0.00%	7.00%	5.00%	4.00%	0.00%	0.00%	9.00%
Category 72 - Logistics & Shipping	4.00%	0.00%	0.00%	0.00%	4.00%	4.75%	0.00%	0.00%	0.00%	4.75%	2.00%	0.00%	0.00%	1.00%	3.00%
Category 87 - Facilities	0.00%	0.00%	0.75%	0.00%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Subtotal	15.00%	10.00%	1.25%	3.00%	29.25%	17.00%	10.75%	1.00%	3.00%	31.75%	16.50%	12.75%	1.50%	4.00%	34.75%

Total Products and Services	20.70%	14.30%	1.25%	5.00%	41.25%	25.00%	13.25%	2.00%	5.50%	45.75%	21.50%	16.75%	3.50%	9.00%	50.75%
------------------------------------	---------------	---------------	--------------	--------------	---------------	---------------	---------------	--------------	--------------	---------------	---------------	---------------	--------------	--------------	---------------

10.1.2 A DESCRIPTION OF WMDVLGBTBE PROGRAM INTERNAL AND EXTERNAL ACTIVITIES PLANNED FOR THE NEXT CALENDAR YEAR:

PLANNED WMDVLGBTBE PROGRAM ACTIVITIES FOR 2019

Frontier is committed to continuing to strengthen its supplier diversity results. Frontier's supplier diversity team will lead internal and external activities to further develop our program and increase opportunities for WMDVLGBTBEs. A summary of these activities is described below:

INTERNAL PROGRAM ACTIVITIES

- Develop and implement strategic plans to increase commitments to existing diverse suppliers and to provide opportunities for suppliers in low utilization areas based on quarterly review forecasting.
- Maintain supplier diversity's participation on cross-functional teams for RFPs and contracts to drive inclusion of diverse suppliers as subcontractors/2nd tier vendors in Frontier procurement opportunities.
- Partner and collaborate with internal business leaders to develop and implement strategies to increase diverse spend.
- Partner with sourcing and strategic prime suppliers to ensure multi-tier diversity inclusion.
- Communicate Frontier's short and long-term supplier diversity related strategic directions to key internal stakeholders.
- Regularly monitor, review and analyze reports to track progress to ensure diversity initiatives are being executed.
- Continue to collaborate with minority and non-minority advocacy organizations and prime contractors to support doing business with and encourage economic development of WMLGBTDVBEs.
- Continue to place high priority to encourage Frontier's prime suppliers to diversify their base of WMLGBTDVBE suppliers and subcontractors and develop relationships that will be mutually beneficial.
- Continue to work with local community-based organizations to identify suppliers as well as the Supplier Clearinghouse database and National Gay & Lesbian Chamber of Commerce to locate LGBTBE suppliers.

EXTERNAL PROGRAM ACTIVITIES

Frontier will continue to develop its supplier diversity program, with an emphasis on outreach to the supplier community, web-based tools to allow effective supplier access,

and the development of best practices. Frontier will also closely monitor opportunities to increase spending results, to promote supplier diversity and to meet its objectives, including:

- Work with various chambers of commerce and business associations to conduct one-on-one meetings between WMDVLGBTBEs and Frontier's sourcing leaders to discuss both current opportunities in California and general Frontier requirements for the applicable product or service.
- Participate in local, regional and national supplier diversity events such as: conferences, forums, symposiums, trade fairs and workshops to build awareness of Frontier's procurement requirements by participating in business matchmaking and one-on-one supplier meetings.
- Work closely with prime suppliers to ensure they meet their 2nd tier utilization requirements and review and expand areas of opportunity for diverse spend.

10.1.3 PLANS FOR RECRUITING WMDVLGBTBE VENDORS OF LOW UTILIZED AREAS:

Frontier will continue to:

- Develop and implement strategic plans to increase commitments to existing diverse suppliers and to provide opportunities for suppliers in low utilization areas.
- Work with community organizations to drive diverse participation in Frontier sourcing opportunities.
- Benchmark with other utilities to identify diverse suppliers in low utilization areas.
- Increase supplier diversity's participation on cross functional teams for RFPs for services that historically have lower levels of diverse spend including alternate sales channels, network electronics and professional services to drive inclusion of diverse suppliers for procurement opportunities.

10.1.4 PLANS FOR SEEKING AND/OR RECRUITING WMDVLGBTBE VENDORS IN ANY EXCLUDED CATEGORY AND AREAS WHERE SUPPLIERS ARE CURRENTLY UNAVAILABLE

The CPUC issued Decision 05-11-024 on November 13, 2005 in which it eliminated the use of exclusions in reporting diversity procurement results. Frontier has not used exclusions in providing this report.

10.1.5 PLANS FOR ENCOURAGING BOTH PRIME CONTRACTORS AND GRANTEES TO ENGAGE WMDVLGBTBEs IN SUBCONTRACTS IN ALL CATEGORIES WHICH PROVIDE SUBCONTRACTING OPPORTUNITIES

Frontier will continue to work closely with prime suppliers to encourage them to utilize WMDVLGBTBEs for subcontracting opportunities and review and expand areas of opportunity for diverse spend. In addition, the company's procurement department will make efforts to ensure that a diversity clause requesting suppliers to include WMDVLGBTBE sub-contractors, as appropriate, and report on resulting WMDVLGBTBE activity is part of future agreements.

10.1.6 PLANS FOR COMPLYING WITH THE WMDVLGBTBE PROGRAM GUIDELINES ESTABLISHED BY PU CODE 8283.

Frontier will continue its efforts to identify and include as many WMDVLGBTBEs as possible in its procurement activities and to follow the program guidelines established by the CPUC. Frontier's senior procurement department management will continue to actively communicate to their direct reports the need to positively influence WMDVLGBTBE activity and meet Frontier's goals. In addition, we continued our supplier diversity status updates to the docket of our bi-weekly staff meetings within the sourcing organization. This is a time for employees to share opportunities, recent successes and for our director of supplier diversity to share updates on the program.

Annual Energy Product Results by Ethnicity and WMDVLGBTBE Certification

Not applicable.

Annual Power Product Results by Ethnicity and WMDVLGBTBE Certification

Not applicable.