8/25/2020

REPORT ABOUT FRONTIER

Collection of Facts

CALIFORNIA PUBLIC UTILITIES COMMISSION
COMMUNICATIONS DIVISION

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This report contains information related to these Frontier companies: Frontier California Inc. (1002), Citizens Telecommunications Company of California Inc. (1024), Frontier Communications of the Southwest Inc. (1026), Frontier Communications of America Inc. (1548 and 5429), Frontier Communications Online and Long Distance Inc. (7167).

Surcharge Reporting and Remittances for Public Purpose Programs

Frontier (Utility Numbers 1002, 1024, 1026, 1548, 5429, and 7167) is up to date with its surcharge reporting and remittances through May 2020.

Note: Utility Number 1548 has reported $0 as its revenues from November 2017 to June 2020.

Payment of Fines related to General Order 133-D

As of July 2, 2020, Frontier (Utility Numbers 1002, 1024, and 1026) has paid all of its fines.

Payment of Annual Fees as a Video Franchise Holder

Frontier California Inc. (Franchise I.D. 0001) is up to date with paying its annual fees. Frontier's state-issued video franchise corresponds to Verizon's former state-issued video franchise, which was where Verizon built its Fios network.

Note: On April 1, 2017, the California Public Utilities Commission (CPUC) sent the invoice for the gross video revenues for 2015 to Frontier.

Order Instituting Investigation 14-05-012 related to Intrastate Rural Call Completion

In September 2019, the CPUC issued Decision 19-09-042 concluding compliance with ordering paragraphs 1-26 of Decision 16-12-066, and thus closed this proceeding. The CPUC identified Frontier (Utility Numbers 1002, 1024, and 1026) as respondents (among other service providers) in this proceeding.

Note: In Decision 1612066 (section 7 and ordering paragraph 26) the CPUC required the development of guidelines to ensure that transfers or mergers do not compromise safe and reliable service. When the CPUC closed this proceeding, it stated these guidelines were no longer necessary for these following reasons: 1) there is California Public Utilities Code § 854; 2) the CPUC recently adopted General Order (GO) 133-D; 3) the CPUC "should give GO 133-D an opportunity to work by evaluating its effectiveness in preserving service quality in the event there is a future application for a merger, acquisition, or change in control"; and 4) the Communications Division has the discretion to gather information to evaluate mergers and transfers.

Order Instituting Investigation 19-12-009 related to Frontier's Outages

This investigation into Frontier (Utility Numbers 1002 and 5429) is still open. This proceeding aims to determine whether Frontier, in 2016, violated laws, rules, and regulations associated with outages, service interruptions, and disclosed and published the addresses of residential customers who have elected to have their addresses suppressed from Frontier's

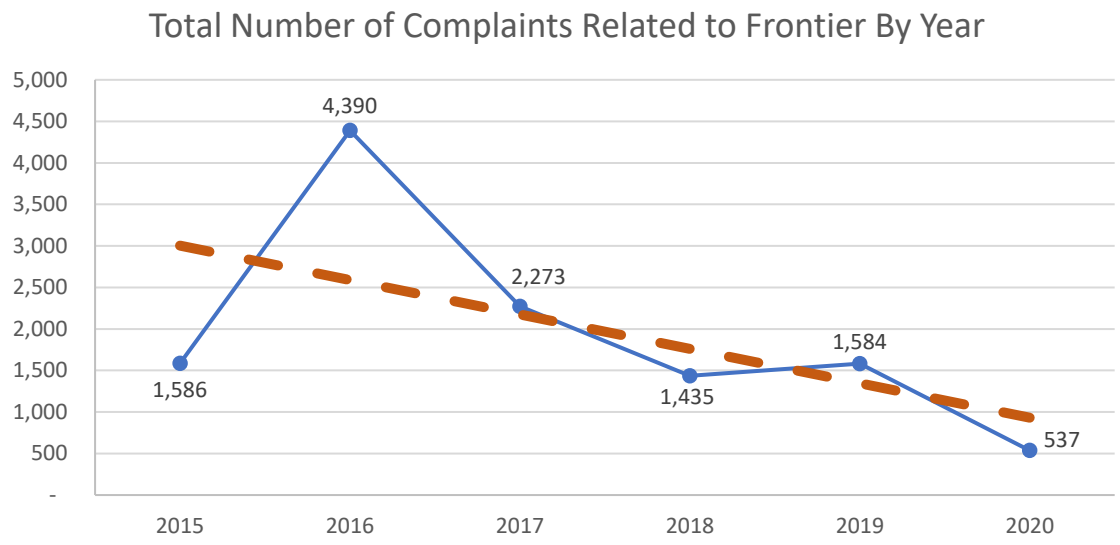
4-1-1 and directory assistance. This investigation was another procedural vehicle used by the CPUC to assess the service outages and interruptions experienced by Frontier's customers between April and June 2016.

The Assigned Commissioner, Liane M. Randolph, has not issued a proposed decision. On April 14, 2020 Frontier and the CPUC's Consumer Protection and Enforcement Division (CPED) filed a joint motion for adoption of their proposed settlement. The Assigned Administrative Law Judge (ALJ), Zhen Zhang, then issued a ruling requesting more information regarding the proposed settlement. On May 22, 2020, Frontier and CPED responded to the additional questions from the ALJ. Currently, evidentiary hearings are tentatively scheduled on September 10 and 11, 2020.

Complaints Received by the CPUC's Consumer Affairs Branch

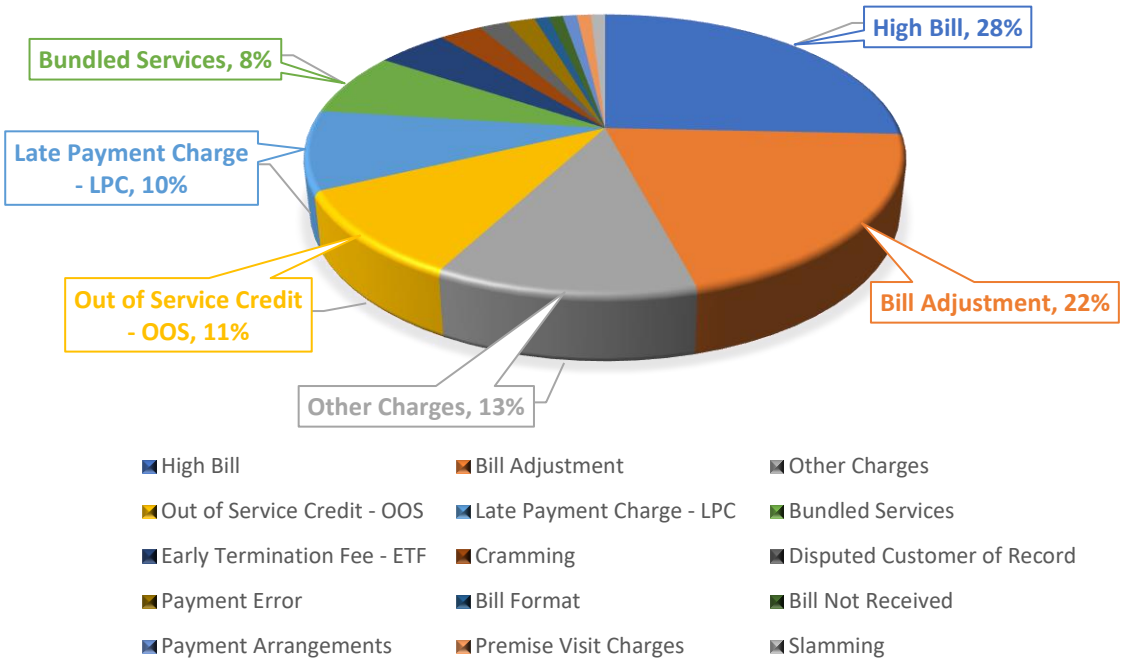
(Calendar Years 2015 to June 25, 2020)

The CPUC's Consumer Affairs Branch (CAB) has identified most of the complaints about Frontier (Utility Numbers 1002, 1024, 1026, 1548, 5429 and 7167) into three categories: billing, service, and related to Internet or Voice over Internet Protocol (VoIP) services. Between January 1, 2015 and June 25, 2020, CAB received a total of 11,805 complaints about Frontier. There is a downward trend for the volume of complaints regarding Frontier, peaking in 2016. Many consumers reported complaints due to outage related issues (e.g., missed appointments, phantom appointments, bad customer service, and long repair time) with the transition from Verizon to Frontier. Frontier closed the transaction to acquire assets from Verizon in 2016.



Complaint Category: Billing

Based on CAB's identification of the various kinds of billing complaints that it received related to Frontier, consumers mostly expressed concerns about having a high bill, desiring a bill adjustment, and having other charges on their bill.

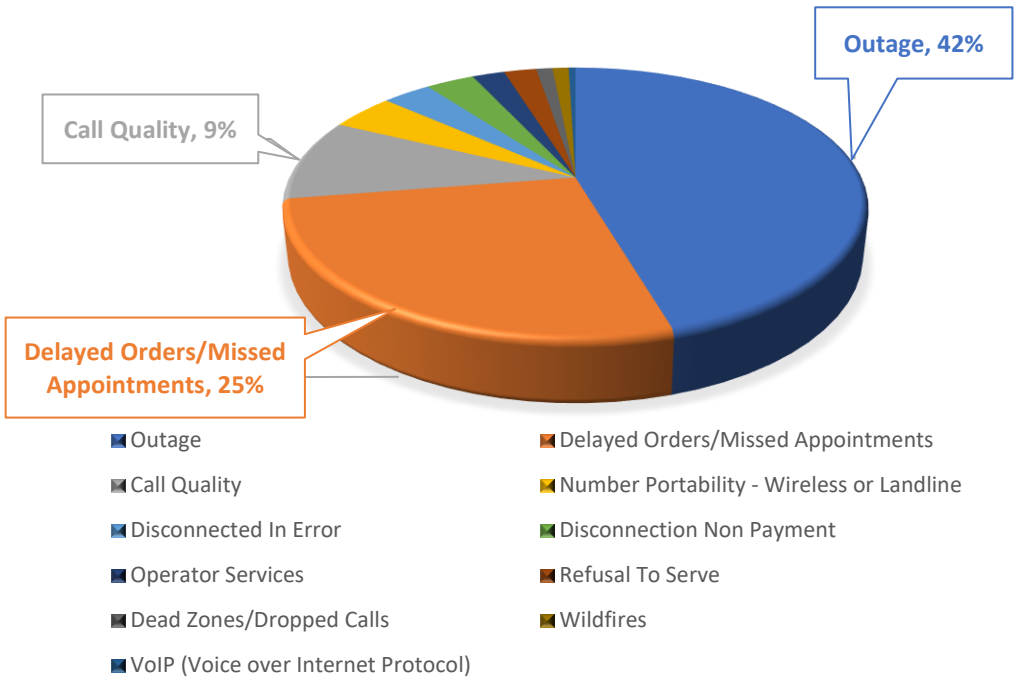


Complaint Category: Related to Internet or VoIP services

Based on Communications Division's interpretation of CAB's detailed notes for 825 complaints identified as either related to Internet or Voice over Internet Protocol (VoIP) services, a majority of these complaints comprised of billing issues (53%) and service outages (40%).

Complaint Category: Service

Based on CAB's identification of the various kinds of service-related complaints that it received about Frontier, consumers mostly expressed concerns about experiencing service outages, poor call quality, and Frontier missing service appointments or delaying service orders.



Service Quality Performance

(Calendar Years 2014 to March 31, 2020)

The CPUC established uniform minimum standards of service and reporting requirements for public utility telephone corporations in General Order 133-D to inform the CPUC regarding their adherence to the service quality rules. These five sets of service quality measures are as follows:

1. Installation Interval = this requirement measures the average amount of time it takes for the telephone corporation to install basic telephone service, beginning from the day and hour of the customer's request until the telephone corporation completes the service order. The standard is 5 days or less.

2. Installation Commitment = this requirement measures the percentage of telephone service installations that the telephone corporation successfully completed. The standard is 95% of greater.

3. Customer Trouble Reports = this requirement measures the number of reports that a telephone corporation receives from its customers regarding their dissatisfaction with the telephone corporation or its services. The standard is a ceiling of: (a) 6 trouble reports per 100 working lines for reporting units with 3,000 or more lines, (b) 8 reports per hundred working lines for units with 1,001 – 2,999 lines, and (c) 10 reports per hundred working lines for units with less than 1,000 lines.

4. Answer Time = this requirement measures the amount of time it takes for an operator to answer a customer's call to a business office for billing and non-billing inquiries and to the repair office for trouble reports. The

standard is for 80% of the calls answered by a live agent be answered within 60 seconds, or for 80% of the calls handled by an automated voice response system should be routed to a live agent within 60 seconds.

5. Out of Service Repair Interval = this requirement measures the average interval between the time a telephone corporation responds to out of service trouble reports and the restoration of the customer's service. The standard is 90% of the out of service trouble reports restored in 24 hours or less. This measure is reported on an adjusted and unadjusted basis. Adjusted reports exclude Sundays, federal holidays, as well as catastrophic events and widespread outages that are beyond a telephone corporation's control.

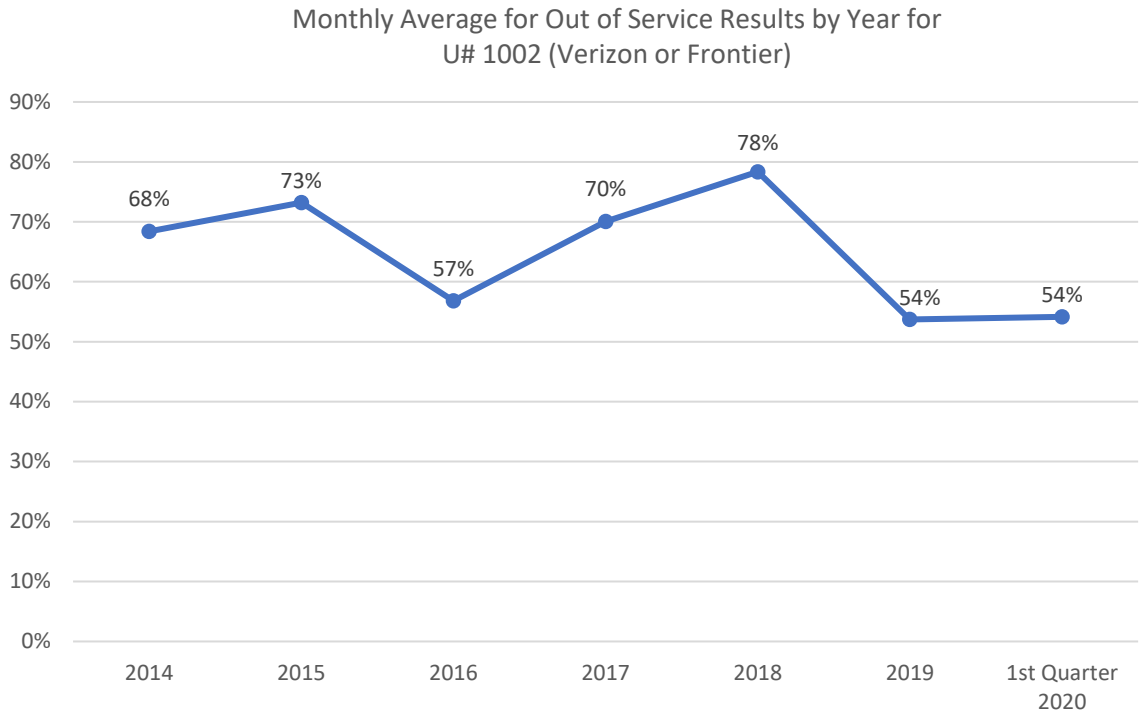
The CPUC requires all five measures of each General Rate Case (GRC) Incumbent Local Exchange Carrier (ILEC). However, the CPUC exempts facilities-based Uniform Regulatory Framework (URF) carriers (i.e., ILECS and Competitive Local Exchange Carriers (CLECs)) from reporting on the Installation Interval and Installation Commitment standards. Therefore, Frontier only reports information regarding these three sets of service quality measures: Customer Trouble Reports, Answer Time, and Out of Service Repair Interval. Information about service quality reporting is available at https://www.cpuc.ca.gov/General.aspx?id=1107.

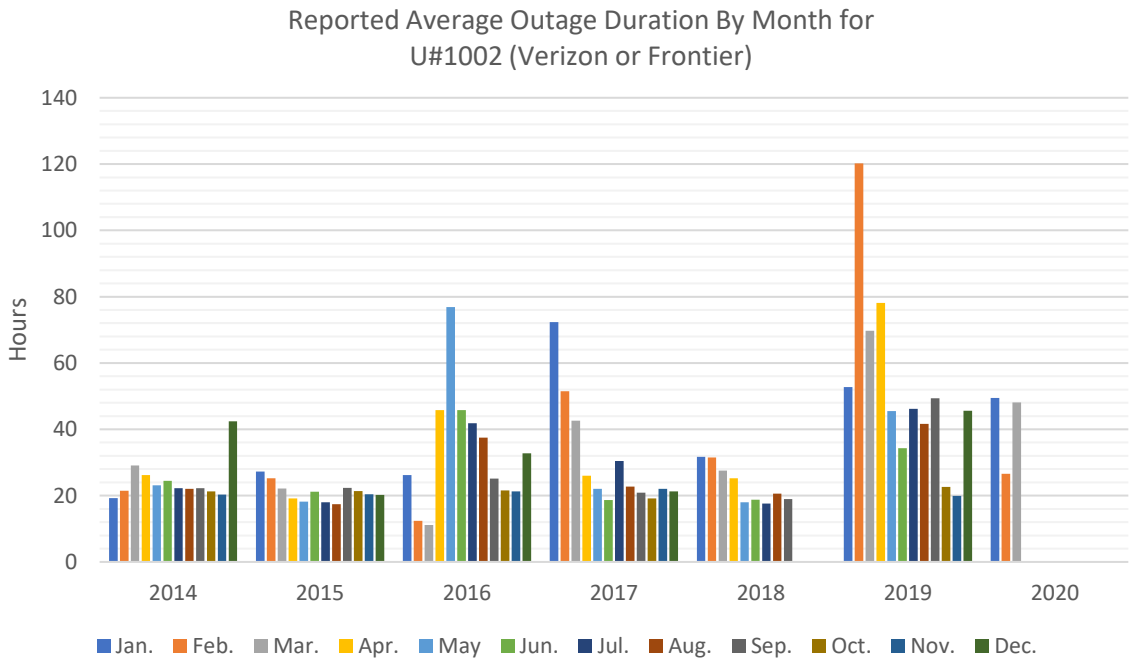
Comparing the Performance of U# 1002 for the Out of Service Standard Using Adjusted Data

Both Verizon and Frontier have reported their performance regarding the out of service standard for Utility Number 1002. Frontier closed the transaction to acquire Verizon's assets on April 1, 2016, thus information between 2014 and 1st quarter of 2016 is associated with Verizon. Beginning the 2nd quarter of 2016, Frontier took over Utility Number 1002.

Based on a monthly average for each year between 2014 and first quarter 2020, neither Verizon nor Frontier have ever met the Out of Service standard. Verizon met this standard in the months of February and March 2016. Frontier came closest to meeting the Out of Service standard in 2018 with a monthly average of 78% for the year. However, Frontier's ability to comply with the Out of Service standard deteriorated thereafter to its lowest monthly average of 54%.

Frontier has generally performed worse than Verizon in repairing outages in a timely basis. In six of 27 months, Verizon's monthly average for the average outage duration was less than 25 hours. During 2019, Frontier reported only two months in which its monthly average for the average outage duration was less than 25 hours. The increase in volume of complaints received by CAB in 2019 also reflected this deterioration in Frontier's service quality performance.



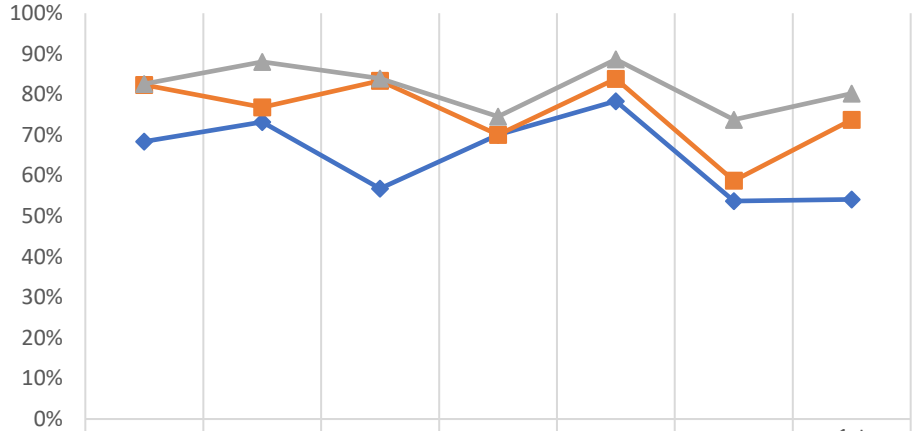


Note: Frontier reported 0.01, 0.05, and 0.01 as the average outage duration for Oct., Nov., and Dec. 2018, respectively. These values were too small to show up in the chart.

Out of Service Standard for Utility Numbers 1002, 1024, and 1026

Based on a monthly average for each year between 2014 and first quarter 2020, Frontier has not met the out of service standard.

Monthly Average for Out of Service Results by Year



	2014	2015	2016	2017	2018	2019	1st Quarter 2020
U#1002	68%	73%	57%	70%	78%	54%	54%
U#1024	82%	77%	83%	70%	84%	59%	74%
U#1026	83%	88%	84%	75%	89%	74%	80%

Note: The chart only depicts the adjusted out of service repair interval reports. Therefore, these already exclude Sundays, federal holidays, as well as catastrophic events and widespread outages that are beyond a telephone corporation's control.

Answer Time for Utility Numbers 1002, 1024, and 1026

Based on a monthly average for each year between 2014 and first quarter 2020, Frontier has had difficulty meeting the standard for answer time. Its worst performance in complying with the standard for answer time occurred in 2018.

YEAR	U#1002	U#1024	U#1026
2014	64.38%	73.62%	73.62%
2015	71.86%	71.49%	71.49%
2016	70.06%	70.06%	70.06%
2017	70.64%	70.64%	70.64%
2018	61.96%	61.96%	61.96%
2019	76.43%	76.43%	76.43%
2020	82.58%	82.58%	82.58%

Note: All Frontier companies did not report any information about Answer Time results for the 1st and 2nd quarter of 2016.

Customer Trouble Reports for Utility Numbers 1002, 1024, and 1026

Frontier has consistently met the standard for Customer Trouble Report Rates.

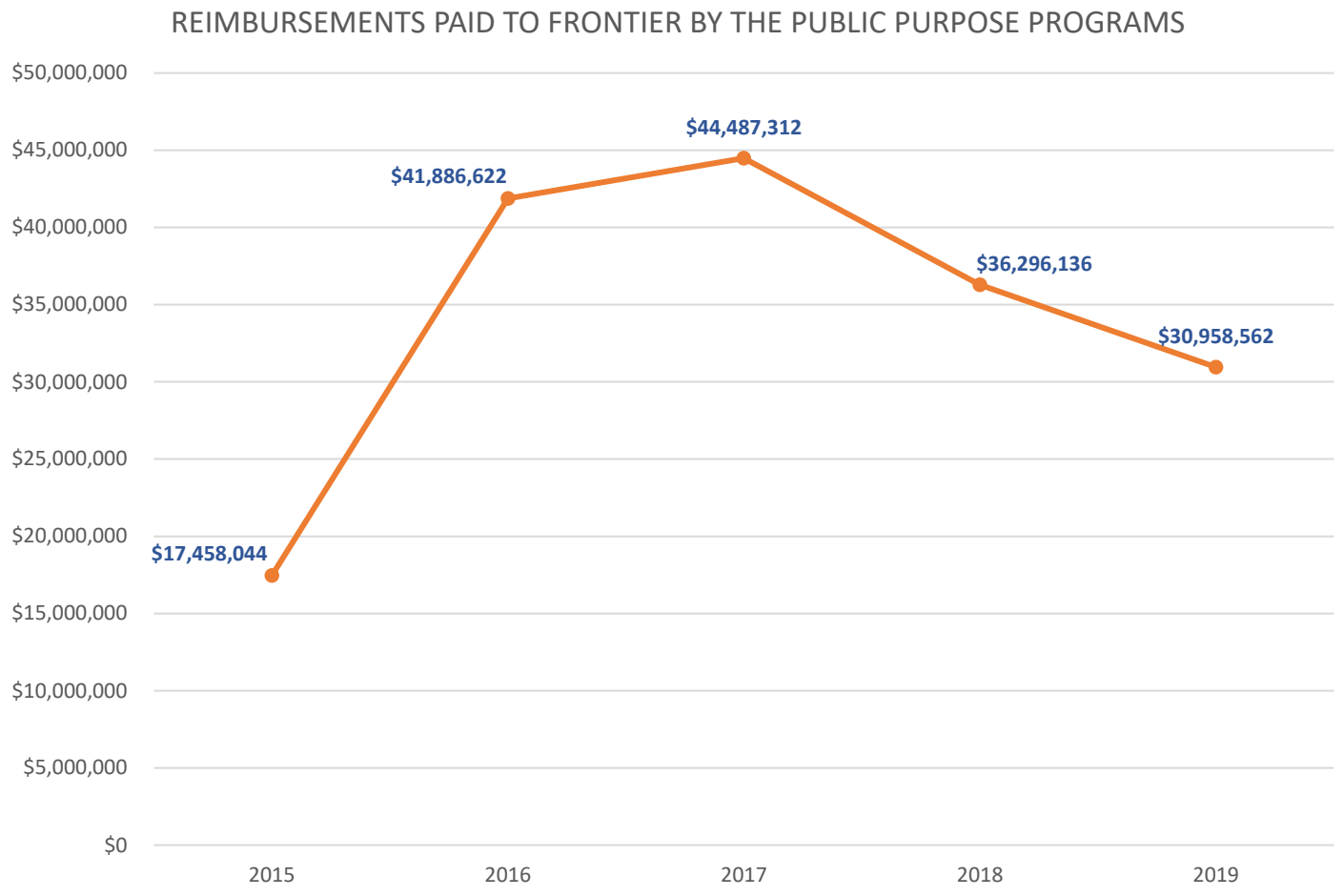
Reimbursements Paid to Frontier by the Public Purpose Programs

(Calendar Years 2015 to 2019)

Frontier (Utility Numbers 1002, 1024, and 1026) more than doubled its financial draw from the universal service programs immediately after its acquisition of Verizon's assets. The annual reimbursements paid to Frontier by California's public purpose programs peaked in 2017 at $44,487,312 and has trended downwards thereafter. For example, in 2019, California's universal service programs' reimbursements paid to Frontier declined to $30,958,562.

A majority of California's universal service programs' reimbursements paid to Frontier consistently comes from the California Teleconnect Fund (CTF). In contrast, the Deaf and Disabled Telecommunications Program (DDTP) has not provided any funding to Frontier.

PORTION OF UNIVERSAL SERVICE REIMBURSEMENTS PAID TO FRONTIER BY PROGRAM					
YEAR	**DEAF AND DISABLED TELECOMMUNICATIONS**	**CALIFORNIA ADVANCED SERVICES FUND**	**CALIFORNIA HIGH COST FUND B**	**CALIFORNIA LIFELINE FUND**	**CALIFORNIA TELECONNECT FUND**
2015	0%	0%	7%	43%	50%
2016	0%	1%	31%	19%	50%
2017	0%	1%	33%	16%	50%
2018	0%	0%	32%	18%	50%
2019	0%	0%	31%	19%	50%



REIMBURSEMENTS PAID TO FRONTIER BY EACH OF THE PUBLIC PURPOSE PROGRAMS				
YEAR	**CALIFORNIA ADVANCED SERVICES FUND**	**CALIFORNIA HIGH COST FUND B**	**CALIFORNIA LIFELINE**	**CALIFORNIA TELECONNECT FUND**
2015	$0	$7,494,766.19	$1,233,248.47	$8,730,029.66
2016	$212,480.39	$7,761,189.61	$12,968,632.87	$20,731,838.48
2017	$454,284.80	$7,139,856.24	$14,648,506.45	$21,790,379.69
2018	$0	$6,378,236.10	$11,768,822.86	$18,149,076.96
2019	$0	$5,796,007.71	$9,682,263.62	$15,480,290.33

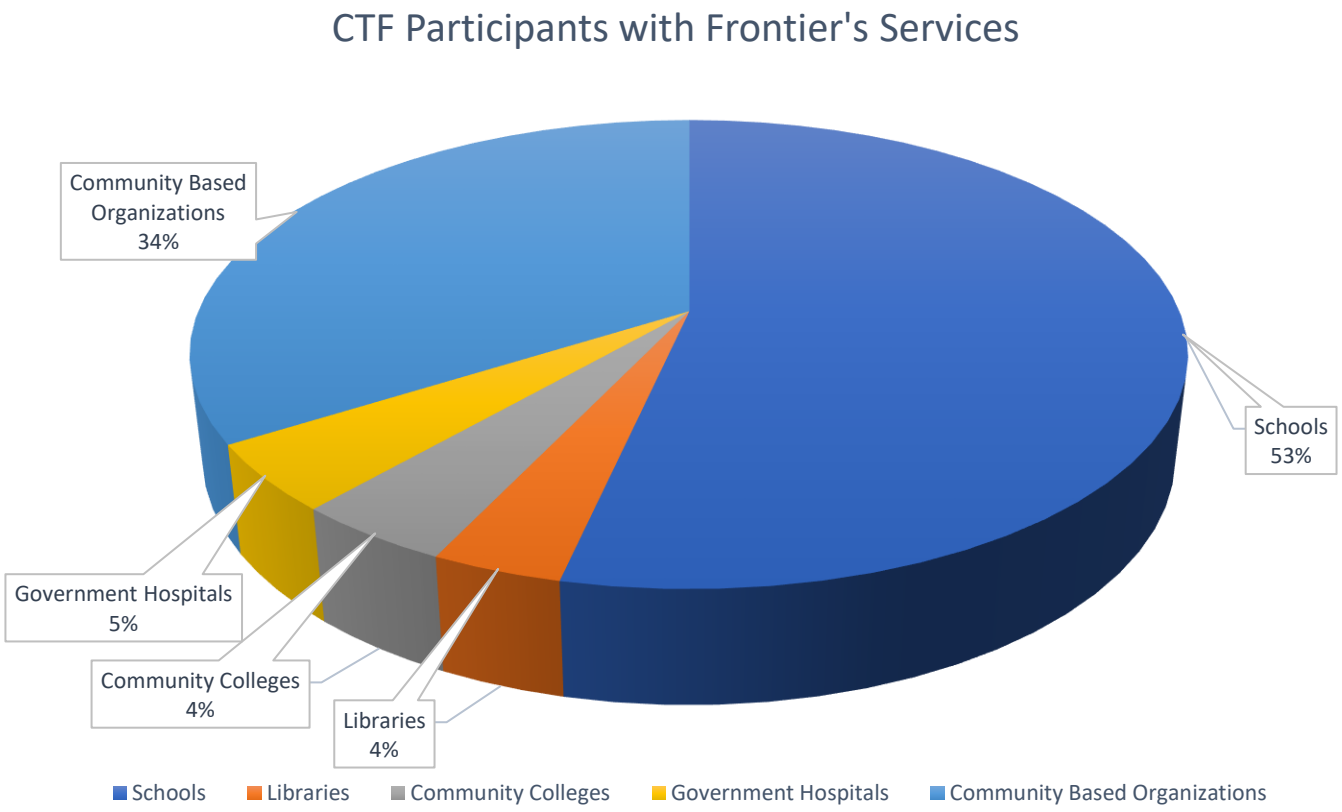
Note: Frontier did not submit claims for reimbursement from the Deaf and Disabled Telecommunications Program, thus there are no corresponding reimbursements paid by this program. In contrast during the last year (February 2015 to March 2016) in which Verizon submitted claims for reimbursement from the Deaf and Disabled Telecommunications Program, the total was about $36,000. Additionally, Frontier has some unresolved California LifeLine related claims in 2019, thus there will be a projected increase in the reimbursements paid by this program. Lastly, Frontier has received more money in 2020 from the California Advanced Service Funds than in previous years.

For 2020, California's public purpose programs have paid Frontier the following amounts:

- California Teleconnect Fund (January to March 2020 period): $97,357.37
- California LifeLine Fund (January 2020 period): $966,240
- California High Cost Fund B (January to April 2020 period): $1,813,516.57
- California Advanced Services Fund (January to June 2020 period): $796,756.24

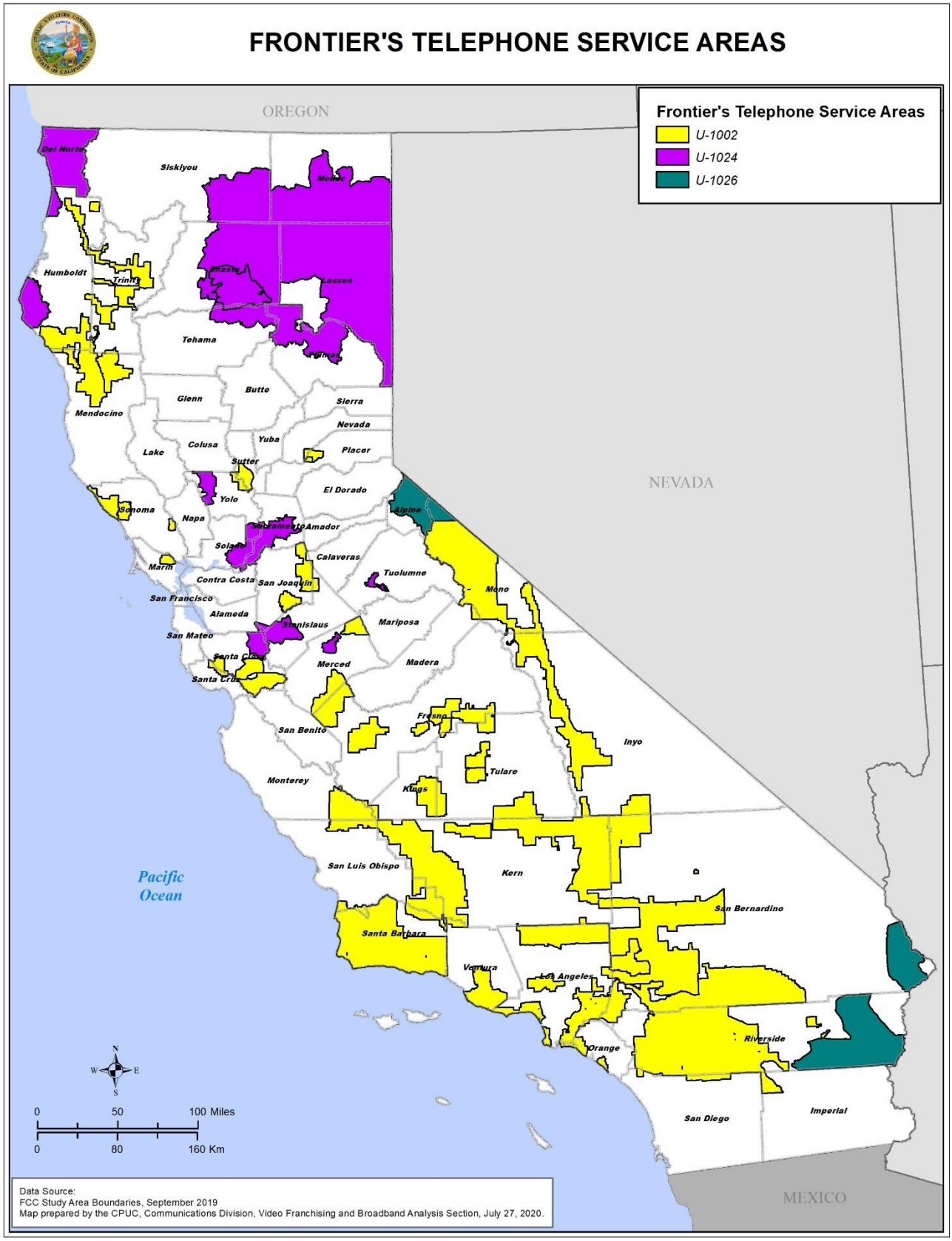
Note: Frontier gave back $75,875.78 to the California Teleconnect Fund this past February.

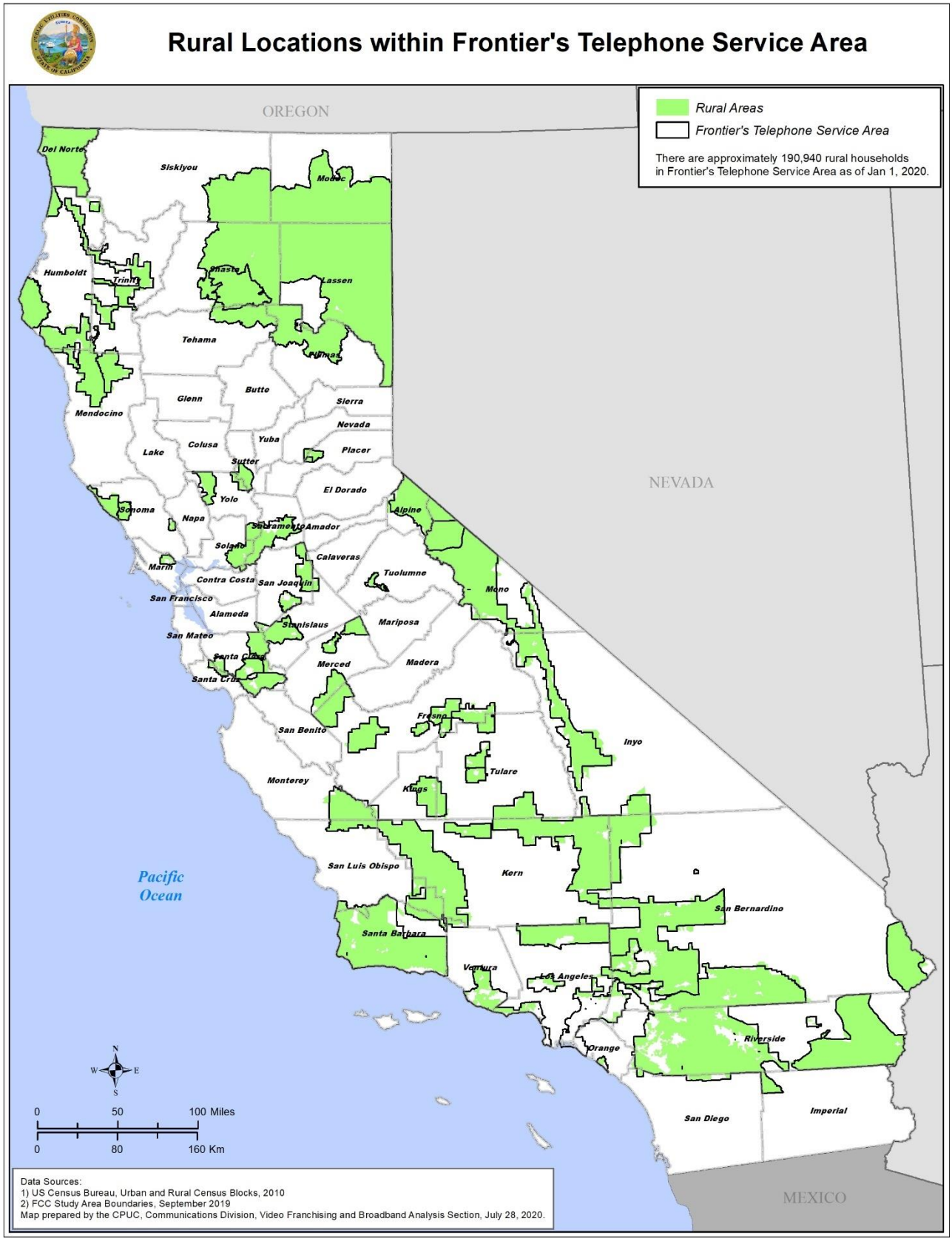
Using information from the May 2020 claim from Frontier (Utility Numbers 1002, 1024, and 1026), CTF participants mostly comprise of schools and community-based organizations.



Frontier's Footprint for Telephone Services

When figuring out a telephone service area, the Communications Division used the September 2019 Federal Communications Commission Study Area Boundaries as the foundation. A telephone service area is equivalent to a study area boundary. Then the Communications Division filtered these study area boundaries for Frontier. After which the Communications Division classified these various areas using the Utility Numbers 1002, 1024, and 1026.


FRONTIER'S TELEPHONE SERVICE AREAS
Frontier's Telephone Service Areas
U-1002
U-1024
U-1026
OREGON
NEVADA
MEXICO
Pacific Ocean
Del Norte
Siskiyou
Modoc
Humboldt
Trinity
Shasta
Lassen
Tehama
Plumas
Glenn
Butte
Sierra
Mendocino
Nevada
Colusa
Yuba
Placer
Lake
Sutter
El Dorado
Yolo
Alpine
Sonoma
Napa
Sacramento
Amador
Solano
Calaveras
Marin
Contra Costa
San Joaquin
Tuolumne
Mono
San Francisco
Alameda
Stanislaus
Mariposa
San Mateo
Santa Clara
Merced
Madera
Santa Cruz
Fresno
San Benito
Inyo
Tulare
Monterey
Kings
San Luis Obispo
Kern
San Bernardino
Santa Barbara
Ventura
Los Angeles
Orange
Riverside
San Diego
Imperial
0 50 100 Miles
0 80 160 Km
Data Source:
FCC Study Area Boundaries, September 2019
Map prepared by the CPUC, Communications Division, Video Franchising and Broadband Analysis Section, July 27, 2020.


Rural Locations within Frontier's Telephone Service Area
Rural Areas
Frontier's Telephone Service Area
There are approximately 190,940 rural households in Frontier's Telephone Service Area as of Jan 1, 2020.
OREGON
NEVADA
MEXICO
Pacific Ocean
Del Norte
Siskiyou
Modoc
Humboldt
Trinity
Shasta
Lassen
Tehama
Plumas
Glenn
Butte
Sierra
Mendocino
Nevada
Colusa
Yuba
Lake
Placer
Sutter
El Dorado
Yolo
Sonoma
Napa
Alpine
Sacramento
Amador
Solano
Calaveras
Marin
Contra Costa
San Joaquin
Tuolumne
Mono
San Francisco
Alameda
Stanislaus
Mariposa
San Mateo
Santa Clara
Merced
Madera
Santa Cruz
Fresno
San Benito
Inyo
Tulare
Monterey
Kings
San Luis Obispo
Kern
San Bernardino
Santa Barbara
Ventura
Los Angeles
Orange
Riverside
San Diego
Imperial
0 50 100 Miles
0 80 160 Km
Data Sources:
1) US Census Bureau, Urban and Rural Census Blocks, 2010
2) FCC Study Area Boundaries, September 2019
Map prepared by the CPUC, Communications Division, Video Franchising and Broadband Analysis Section, July 28, 2020.

Low-Income Households

The Communications Division utilized five different approaches to determine the scope in terms of the number of low-income households that potentially may be impacted by Frontier's bankruptcy. Here are these five approaches to determining the number of low-income households:

1. Households with an annual income of less than $50,000 in applicable Census Tracts using the US Census Bureau's *American Community Survey (ACS) 2018 5-Year Estimate* (Table S1901);

2. Households with an annual income of less than $25,000 in applicable Census Tracts using the US Census Bureau's *American Community Survey (ACS) 2018 5-Year Estimate* (Table S1901);

3. Households within applicable Census Blocks where the median household income of the associated Census Tract is less than $50,000;

4. Households within applicable Census Blocks where the median household income of the associated Census Tract is less than $25,000; and

5. Households participating in the California LifeLine Program with Frontier's services.

These five different approaches yield these corresponding results of the number of low-income households:

1. approximately 1.34 million low-income households = an estimate of low-income households (<$50,000 annual household income in 2018) within census tracts which intersect Frontier's telephone service area;

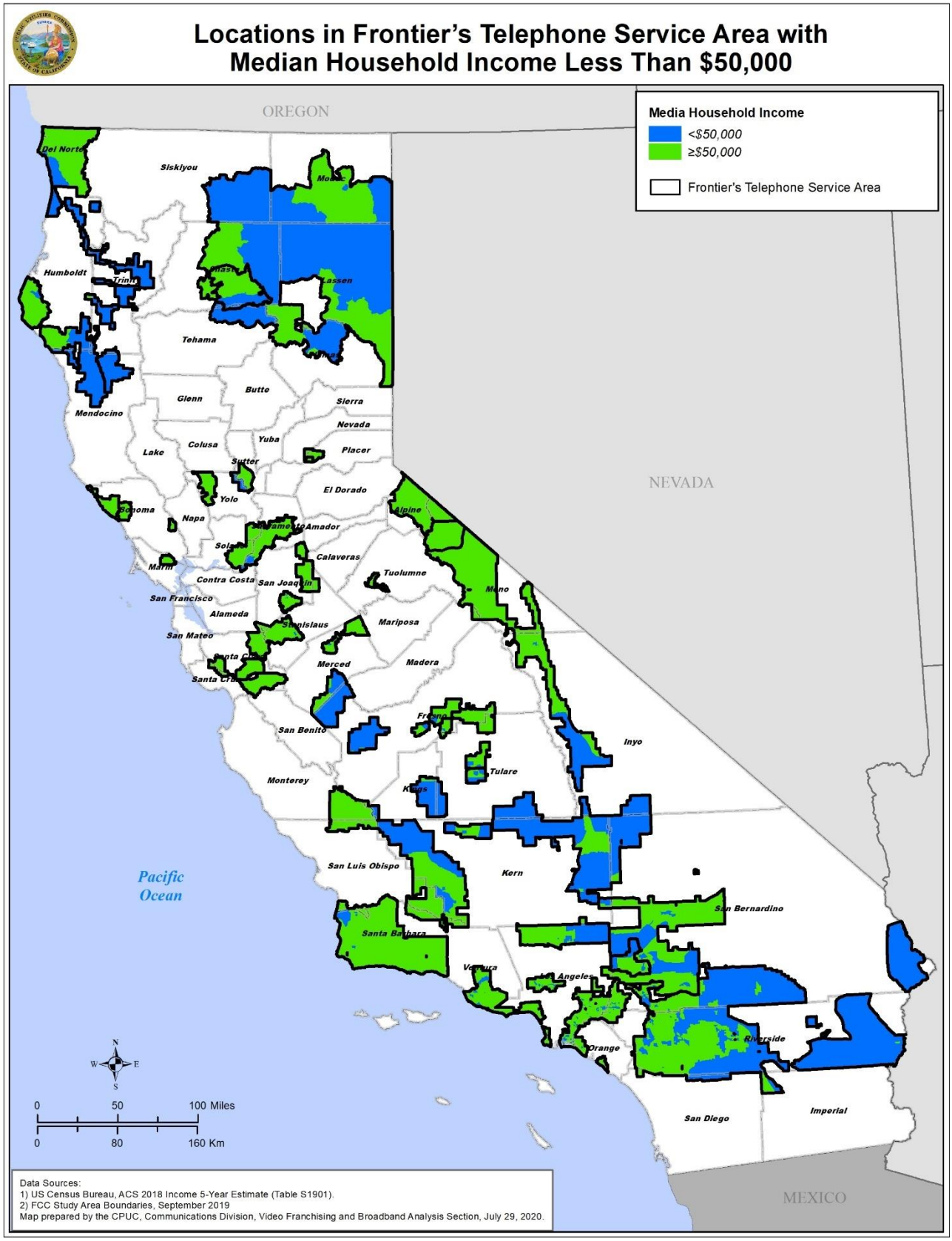
2. approximately 626,000 low-income households = an estimate of low-income households (<$25,000 annual household income in 2018) within census tracts which intersect Frontier's telephone service area;

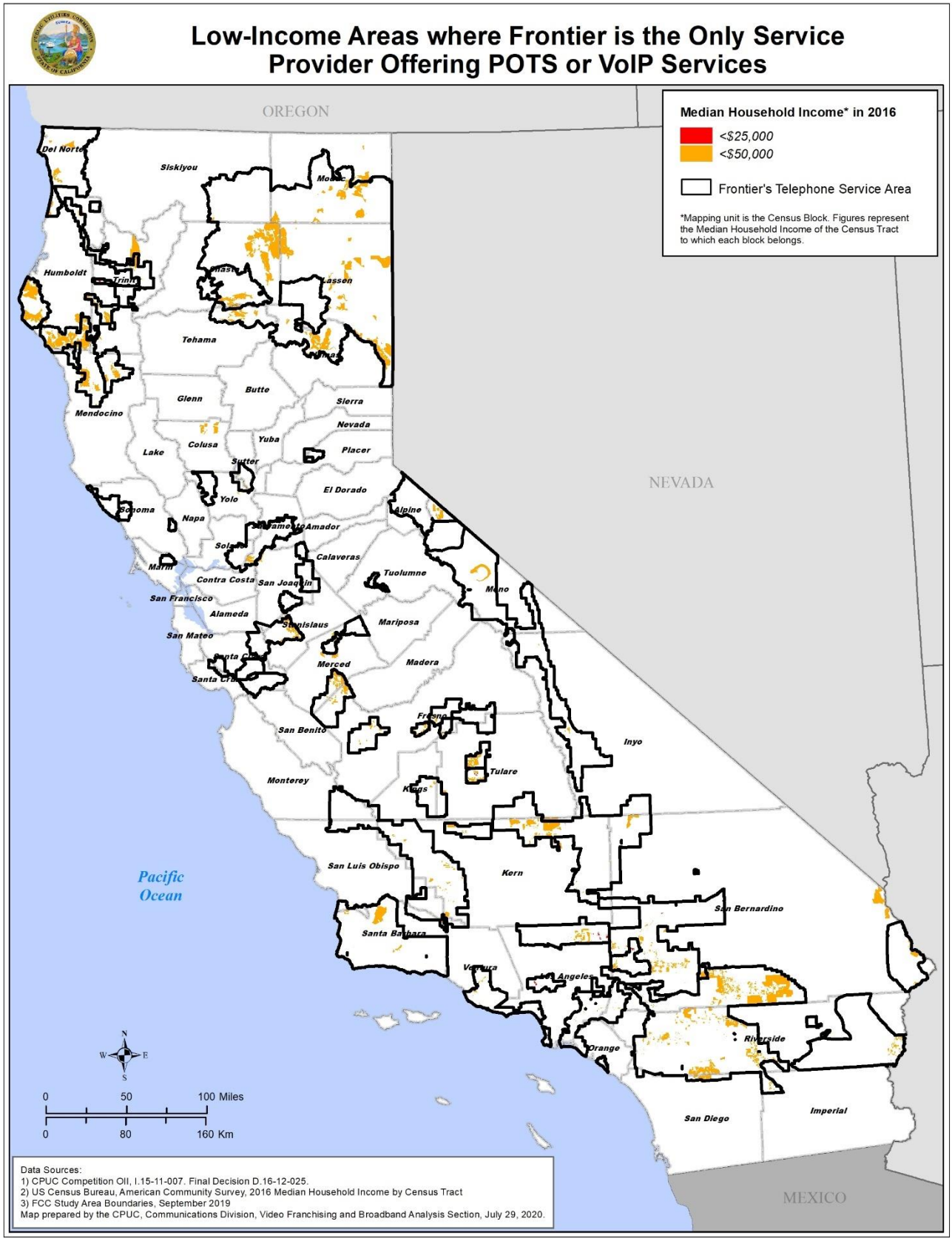
3. 68,925 households = an estimate of *ALL* households within census blocks which *BOTH* intersect Frontier's telephone service area where Frontier was the only service provider offering POTS or VoIP services *AND* are part of a census tract where the median household income was less than $50,000 in 2018;

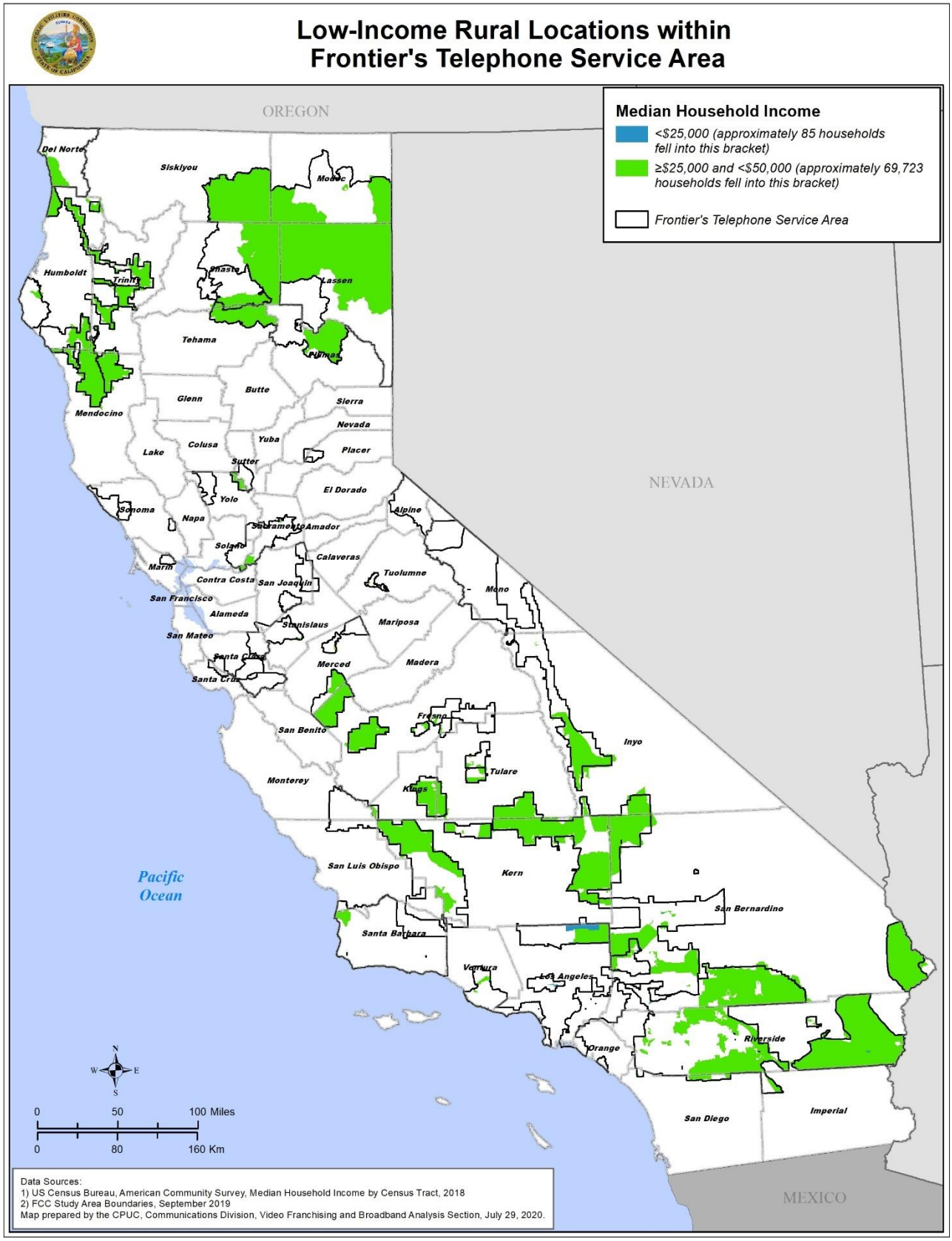
4. 3,792 households = an estimate of *ALL* households within census blocks which *BOTH* intersect Frontier's telephone service area where Frontier was the only service provider offering POTS or VoIP services *AND* are part of a census tract where the median household income was less than $25,000 in 2018; and

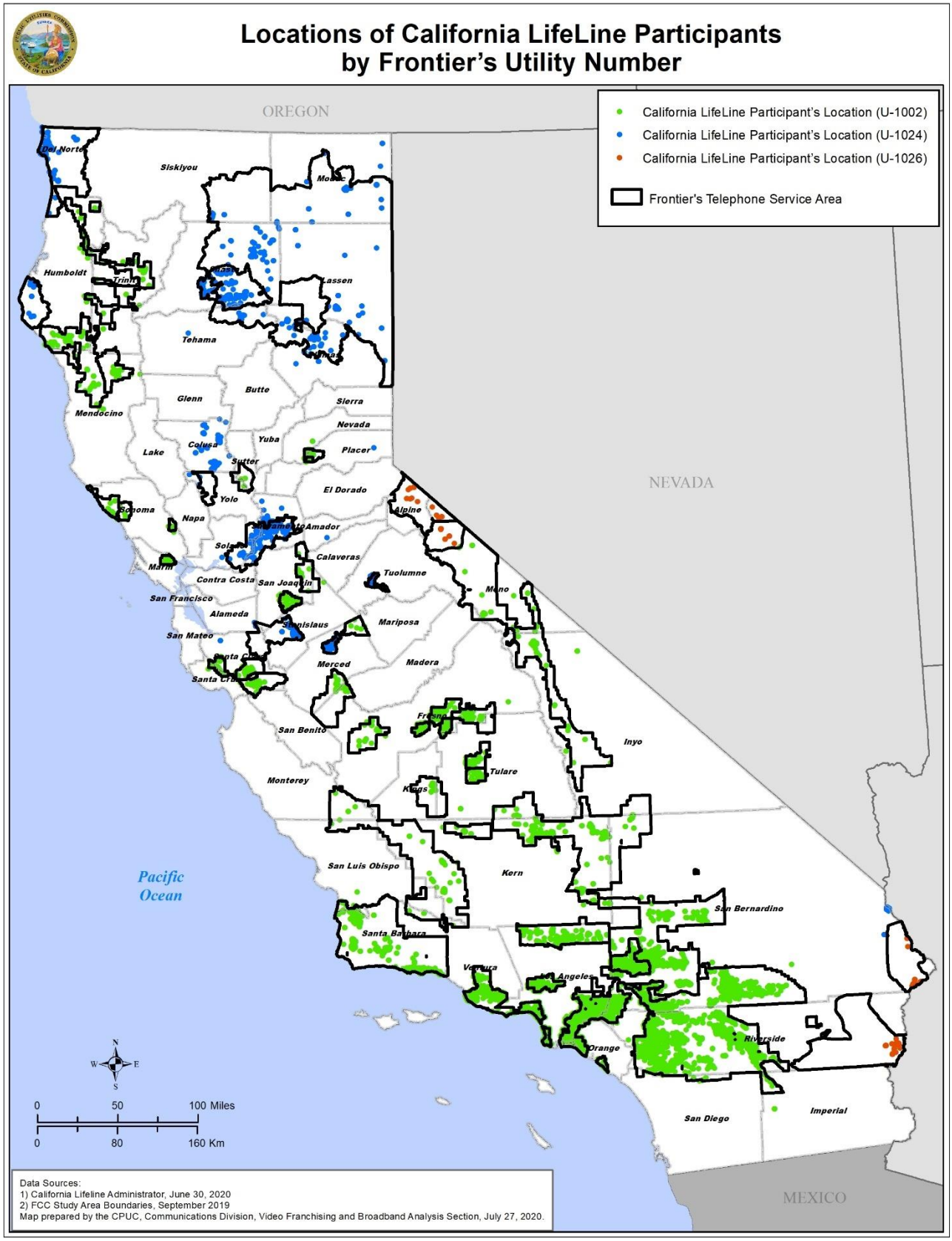
5. 47,998 California LifeLine participants with Frontier's services as of June 30, 2020.

Lastly, the Communications Division looked at the number of low-income households in rural areas (census blocks in this analysis) in Frontier's telephone service area. Approximately 85 households (where the median household income was less than $25,000) are in rural census blocks within Los Angeles, Orange, and San Bernardino counties. Approximately 69,723 households (where the median household income was greater than or equal to $25,000 but less than $50,000) are in rural census blocks.


Locations in Frontier's Telephone Service Area with Median Household Income Less Than $50,000
OREGON
NEVADA
MEXICO
Media Household Income
<$50,000
≥$50,000
Frontier's Telephone Service Area
Del Norte
Siskiyou
Modoc
Humboldt
Trinity
Shasta
Lassen
Tehama
Plumas
Glenn
Butte
Sierra
Mendocino
Nevada
Colusa
Yuba
Placer
Lake
Sutter
El Dorado
Yolo
Sonoma
Napa
Alpine
Sacramento
Amador
Solano
Calaveras
Marin
Contra Costa
San Joaquin
Tuolumne
Mono
San Francisco
Alameda
Stanislaus
Mariposa
San Mateo
Santa Cruz
Merced
Madera
Santa Clara
Fresno
San Benito
Inyo
Tulare
Monterey
Kings
San Luis Obispo
Kern
Pacific Ocean
San Bernardino
Santa Barbara
Ventura
Los Angeles
Riverside
Orange
San Diego
Imperial
N
W
E
S
0
50
100 Miles
0
80
160 Km
Data Sources:
1) US Census Bureau, ACS 2018 Income 5-Year Estimate (Table S1901).
2) FCC Study Area Boundaries, September 2019
Map prepared by the CPUC, Communications Division, Video Franchising and Broadband Analysis Section, July 29, 2020.


Low-Income Areas where Frontier is the Only Service Provider Offering POTS or VoIP Services
OREGON
NEVADA
MEXICO
Median Household Income* in 2016
<$25,000
<$50,000
Frontier's Telephone Service Area
*Mapping unit is the Census Block. Figures represent the Median Household Income of the Census Tract to which each block belongs.
Del Norte
Siskiyou
Modoc
Humboldt
Trinity
Shasta
Lassen
Tehama
Plumas
Glenn
Butte
Sierra
Mendocino
Nevada
Colusa
Yuba
Placer
Lake
Sutter
El Dorado
Yolo
Sonoma
Napa
Alpine
Sacramento
Amador
Solano
Calaveras
Marin
Contra Costa
San Joaquin
Tuolumne
Mono
San Francisco
Alameda
Stanislaus
Mariposa
San Mateo
Santa Cruz
Merced
Madera
Santa Clara
Fresno
San Benito
Inyo
Tulare
Monterey
Kings
San Luis Obispo
Kern
Pacific Ocean
San Bernardino
Santa Barbara
Ventura
Los Angeles
Riverside
Orange
San Diego
Imperial
N
W
E
S
0
50
100 Miles
0
80
160 Km
Data Sources:
1) CPUC Competition OII, I.15-11-007. Final Decision D.16-12-025.
2) US Census Bureau, American Community Survey, 2016 Median Household Income by Census Tract
3) FCC Study Area Boundaries, September 2019
Map prepared by the CPUC, Communications Division, Video Franchising and Broadband Analysis Section, July 29, 2020.


Low-Income Rural Locations within
Frontier's Telephone Service Area
Median Household Income
<$25,000 (approximately 85 households fell into this bracket)
≥$25,000 and <$50,000 (approximately 69,723 households fell into this bracket)
Frontier's Telephone Service Area
OREGON
NEVADA
MEXICO
Pacific Ocean
Del Norte
Siskiyou
Modoc
Humboldt
Trinity
Shasta
Lassen
Tehama
Plumas
Glenn
Butte
Sierra
Mendocino
Nevada
Colusa
Yuba
Placer
Lake
Sutter
El Dorado
Yolo
Sonoma
Napa
Alpine
Sacramento
Amador
Solano
Calaveras
Marin
Contra Costa
San Joaquin
Tuolumne
Mono
San Francisco
Alameda
Stanislaus
Mariposa
San Mateo
Santa Clara
Merced
Madera
Santa Cruz
Fresno
San Benito
Inyo
Tulare
Monterey
Kings
San Luis Obispo
Kern
San Bernardino
Santa Barbara
Ventura
Los Angeles
Riverside
Orange
San Diego
Imperial
0 50 100 Miles
0 80 160 Km
Data Sources:
1) US Census Bureau, American Community Survey, Median Household Income by Census Tract, 2018
2) FCC Study Area Boundaries, September 2019
Map prepared by the CPUC, Communications Division, Video Franchising and Broadband Analysis Section, July 29, 2020.


Locations of California LifeLine Participants
by Frontier's Utility Number
California LifeLine Participant's Location (U-1002)
California LifeLine Participant's Location (U-1024)
California LifeLine Participant's Location (U-1026)
Frontier's Telephone Service Area
OREGON
NEVADA
MEXICO
Pacific Ocean
Del Norte
Siskiyou
Modoc
Humboldt
Trinity
Lassen
Tehama
Plumas
Glenn
Butte
Sierra
Mendocino
Nevada
Colusa
Yuba
Lake
Placer
Sutter
El Dorado
Yolo
Alpine
Sonoma
Napa
Amador
Solano
Calaveras
Marin
Contra Costa
San Joaquin
Tuolumne
Mono
San Francisco
Alameda
Stanislaus
Mariposa
San Mateo
Santa Cruz
Merced
Madera
Fresno
San Benito
Inyo
Tulare
Monterey
Kings
San Luis Obispo
Kern
San Bernardino
Santa Barbara
Ventura
Los Angeles
Orange
Riverside
San Diego
Imperial
0 50 100 Miles
0 80 160 Km
Data Sources:
1) California Lifeline Administrator, June 30, 2020
2) FCC Study Area Boundaries, September 2019
Map prepared by the CPUC, Communications Division, Video Franchising and Broadband Analysis Section, July 27, 2020.

California LifeLine Program Participation

(End of Each Year: 2015 to June 30, 2020)

The number of California LifeLine participants with Frontier's services has annually declined since Frontier acquired Verizon's assets, which included California LifeLine participants.

NUMBER OF CALIFORNIA LIFELINE PARTICIPANTS			
MONTH & YEAR	**ALL CALIFORNIA LIFELINE PARTICIPANTS WITH PHONE SERVICE**	**CALIFORNIA LIFELINE PARTICIPANTS WITH HOME PHONE SERVICE**	**CALIFORNIA LIFELINE PARTICIPANTS WITH FRONTIER'S SERVICE**
December 2015	2,197,256	651,828	8,408
December 2016	2,166,529	512,102	109,129
December 2017	1,784,267	426,276	82,892
December 2018	1,705,420	352,732	64,868
December 2019	1,562,250	321,837	55,729
June 2020	1,650,393	274,789	47,998

PERCENT CHANGE IN CALIFORNIA LIFELINE PARTICIPATION YEAR OVER YEAR			
MONTH & YEAR	**ALL CALIFORNIA LIFELINE PARTICIPANTS WITH PHONE SERVICE**	**CALIFORNIA LIFELINE PARTICIPANTS WITH HOME PHONE SERVICE**	**CALIFORNIA LIFELINE PARTICIPANTS WITH FRONTIER'S SERVICE**
December 2016	-1%	-21%	1198%
December 2017	-18%	-17%	-24%
December 2018	-4%	-17%	-22%
December 2019	-8%	-9%	-14%
June 2020	6%	-15%	-14%

California LifeLine Participants Outside of Frontier's Telephone Service Areas

The Communications Division found that 807 of these 47,998 California LifeLine participants with Frontier's services were located outside of Frontier's telephone service areas. Additionally, the Communications Division could not map the location of four California LifeLine participants with Frontier's services.

UTILITY NUMBER	NUMBER OF CALIFORNIA LIFELINE PARTICIPANTS WITH FRONTIER'S SERVICES BUT LOCATED OUTSIDE OF FRONTIER'S TELEPHONE SERVICE AREA
1002	327
1024	469
1206	11

California High Cost Fund B Program Participation

(End of Each Year: 2015 to June 30, 2020)

Despite consecutive annual decreases since 2015, Frontier has recently increased the number of supported phone lines.

MONTH & YEAR	NUMBER OF SUPPORTED PHONE LINES BY THE CALIFORNIA HIGH COST FUND B PROGRAM
December 2015	51,588
December 2016	50,812
December 2017	43,228
December 2018	38,301
December 2019	33,555
March 2020	33,047
April 2020	33,324
May 2020	34,143
June 2020	34,269

MONTH & YEAR	PERCENT CHANGE IN THE NUMBER OF SUPPORTED PHONE LINES BY THE CALIFORNIA HIGH COST FUND B PROGRAM
December 2016	-2%
December 2017	-15%
December 2018	-11%
December 2019	-12%
June 2020	2%

California Advanced Services Fund Approved Projects' Status and Pending Applications

The CPUC has approved 13 projects for Frontier (Utility Numbers 1002, 1024, and 1026) of which five projects are still in progress. Expected completion dates for these five projects range from August 2020 to June 2022. Frontier has not begun the build for three of these five incomplete projects.

Frontier also submitted 10 applications for CASF Infrastructure Grants of which the Communications Division is evaluating. Each of these 10 applications have asked the CPUC for 100% funding by CASF totaling over $67 million. Frontier proposed building fiber to the premises (FTTP) for eight of these 10 applications. One of these 10 applications is a last-mile type of project, otherwise Frontier proposed middle-mile/last-mile types of projects. Information about all applications for CASF Infrastructure Grants is available at https://www.cpuc.ca.gov/General.aspx?id=1040.

APPROVED CASF PROJECTS FOR FRONTIER							
UTILITY NUMBER	PROJECT NAME	PROJECT TYPE	AWARD	PAID	DIFFERENCE IN AWARD AND PAID AMOUNTS	PROJECT STATUS	COMPLETED OR EXPECTED COMPLETION DATE
1002	Lytle Creek	Hybrid	$1,458,886	$0	$1,458,886	0%	June 2022
1002	Taft Cluster	Last-Mile	$399,702	$0	$399,702	0%	January 2021
1002	Northeast	Hybrid	$10,912,973	$0	$10,912,973	0%	December 2021
1002	Weimar	Last-Mile	$692,889	$156,606	$536,283	35% Done	October 2020
1002	Desert Shores	Last-Mile	$1,262,567	$640,150	$622,417	50% Done	August 2020
1024	Shingletown	Last-Mile	$545,690	$454,825	$90,865	Done	May 2017
1024	Petrolia	Middle-Mile	$202,557	$202,557	$0	Done	February 2016
1026	Alpine Underserved	Last-Mile	$95,919	$0	$95,919	Done	May 2012
1026	Del Norte Underserved	Last-Mile	$68,168	$0	$68,168	Done	March 2012
1026	Havasu Palms & Black Meadow	Last-Mile	$168,171	$0	$168,171	Done	November 2012
1024	Birds Landing	Last-Mile	$100,444	$99,130	$1,314	Done	March 2010
1024	Livingston	Last-Mile	$62,000	$39,555	$22,445	Done	November 2009
1002	Prattville	Last-Mile	$41,192	$9,923	$31,269	Done	June 2016

FRONTIER'S APPLICATIONS UNDER CONSIDERATION				
UTILITY NUMBER	NAME OF PROPOSED PROJECT	PROPOSED PROJECT TYPE	REQUESTED AMOUNT	PERCENTAGE OF REQUESTED FUNDING FROM CASF
1002	Garberville/Alderpoint	Middle-Mile Last-Mile	$3,776,254	100%
1024	Crescent City	Middle-Mile Last-Mile	$1,586,885	100%
1002	Knights Landing	Middle-Mile Last-Mile	$4,590,845	100%
1024	Northeast Project (not FTTP)	Middle-Mile Last-Mile	$10,358,969	100%
1002	Piercy/Leggett/Laytonville	Middle-Mile Last-Mile	$7,797,273	100%
1024	Herlong/Janesville	Middle-Mile Last-Mile	$7,668,801	100%
1024	Smith River	Last-Mile	$1,428,479	100%

FRONTIER'S APPLICATIONS UNDER CONSIDERATION				
UTILITY NUMBER	**NAME OF PROPOSED PROJECT**	**PROPOSED PROJECT TYPE**	**REQUESTED AMOUNT**	**PERCENTAGE OF REQUESTED FUNDING FROM CASF**
1002	Cuyama, Maricopa, Santa Maria and Orcutt	Middle-Mile Last-Mile	$12,462,755	100%
1024	Mad River (not FTTP)	Middle-Mile Last-Mile	$8,169,979	100%
1002	Lake Isabella/Weldon	Middle-Mile Last-Mile	$9,595,168	100%

Connect America Fund Phase II Broadband Deployments

The Federal Communications Commission awarded Frontier $229 million from the Connect America Fund (CAF) Phase II program. Frontier is required to offer broadband service at 90,000 locations (i.e., census blocks) using the CAF funds by the end of 2020. According to Frontier, it failed to meet the broadband deployment milestone to offer broadband service to 80% of the CAF Phase II locations in California by December 31, 2019. However, Frontier asserts that its compliance gap is less than five percent of the broadband deployment milestone. According to 47 Code of Federal Regulations § 54.320, a compliance gap of less than five percent avoids non-compliance measures.

Based on information available online from the Universal Service Administrative Company's (USAC) CAF Broadband Map (https://data.usac.org/publicreports/caf-map/), the table immediately below shows Frontier's progress with the CAF Phase II broadband deployment milestone. USAC also gives general information about CAF Phase II and the broadband deployment milestones at https://www.usac.org/high-cost/funds/caf-phase-ii/.

CAF II Phase Broadband Service				
Year	Cumulative Total CAF Support Disbursed	Locations Obligation	Frontier Cumulative Locations Deployed	Broadband Deployment Milestone
2017	$46,259,725	36,090	40,509	45%
2018	$84,449,286	54,135	56,215	62%

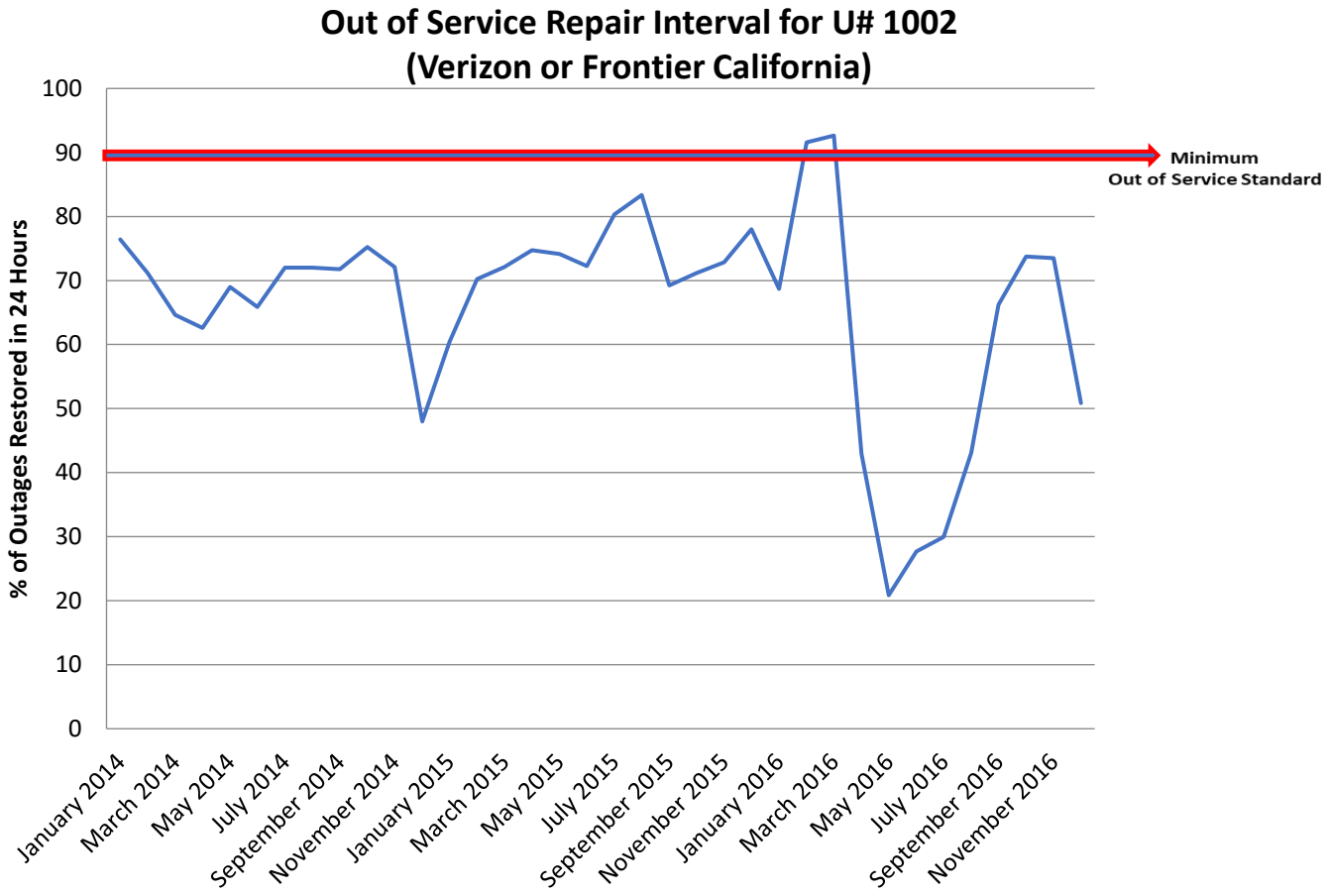
In contrast, based on March 9, 2020 information from Frontier, the table immediately below shows its progress with the CAF Phase II broadband deployment milestone.

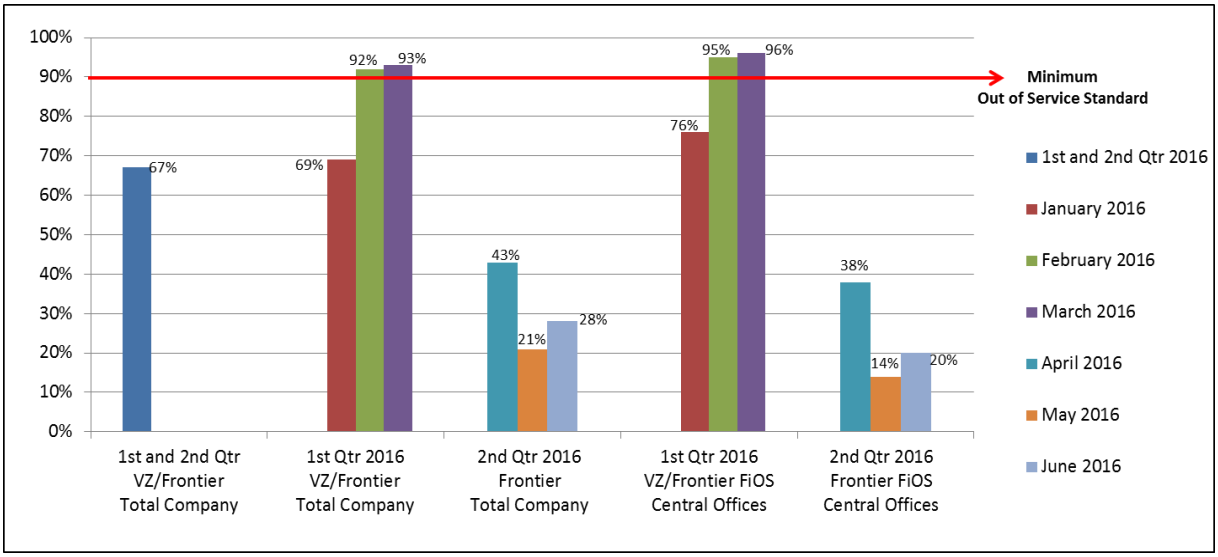
CONFIDENTIAL (REDACTED)				
CAF II Phase Broadband Service (10 Mbps Down, 1 Mbps Up)				
Year	Frontier Reported Annual Progress	Cumulative Deployment Target	Frontier Reported Cumulative Progress	Broadband Deployment Milestone
2017				
2018				
2019				
2020				

Assessing Frontier's Completion of Its Commitments from its Acquisition of Verizon's Assets

The CPUC required both Verizon and Frontier to comply with General Order 133-C's Out of Service standard before the transaction closed. Verizon complied with this requirement. However, Frontier failed to meet the Out of Service standard. Frontier's performance regarding the Out of Service standard immediately worsened after the transaction closed.

Note: The CPUC adopted General Order 133-D on August 18, 2016, which occurred after approving Frontier's acquisition of Verizon's assets.





Note: This comparison of 1st and 2nd quarter 2016 information only uses central offices in southern California served by fiber to the home broadband services.

Frontier also made several commitments in acquiring Verizon's assets such as upgrading and expanding its California broadband network. These commitments included the following:

1. **10 Mbps Service** – By 2020, expand availability of broadband at a minimum speed of 10 Mbps down and 1 Mbps up to at least 100,000 unserved California households in the Verizon acquired area not included in CAF II projects.
2. **Northern California 10 Mbps Service** – By 2022, expand availability of broadband at a minimum speed of 10 Mbps down and 1 Mbps up to at least 7,000 unserved California households in its legacy service area not included in CAF II projects, (Modoc, Shasta, Lassen, Plumas, Siskiyou, and Tehama counties).
3. **6 Mbps Service** – By 2022, expand availability of broadband at a minimum speed of 6 Mbps down and 1-1.5 Mbps up to at least 250,000 additional unserved or underserved households in its California service territories.
4. **25 Mbps Service** – By 2022, augment the speed of available broadband to a minimum of 25 Mbps down and 2-3 Mbps up to at least 400,000 California households in the Verizon acquired area where FiOS is not currently offered or in its legacy service area.

Frontier's progress in meeting these commitments are as follows:

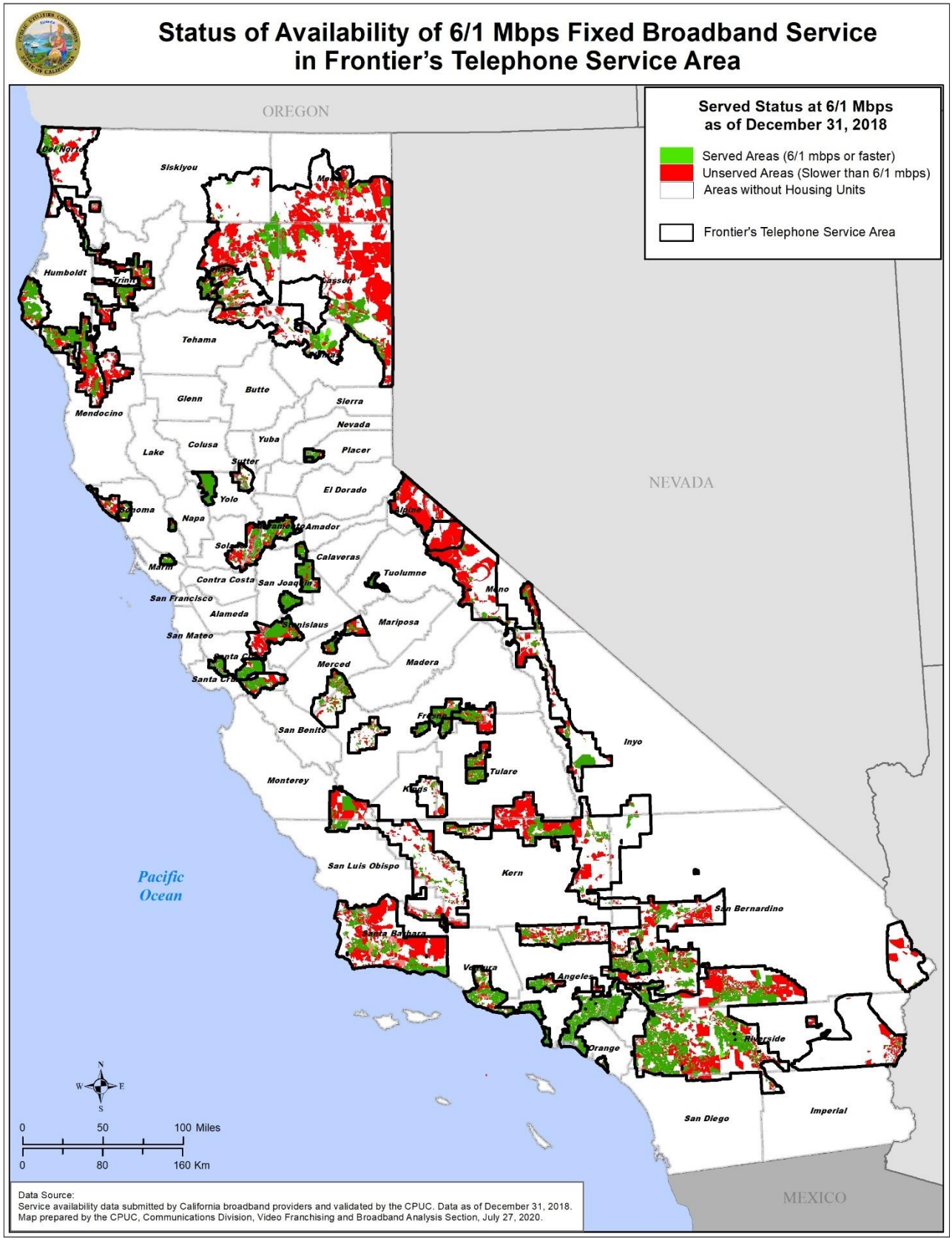
- For 2017 and 2018, Frontier reported that it met all categories of its broadband deployment obligations.
- For 2019, Frontier reported that it did not meet its broadband deployment obligations for the 10 Mbps Service. However, Frontier reported that it exceeded the cumulative obligations for both the 6 Mbps and 25 Mbps Services.

CONFIDENTIAL (REDACTED)			
10 Mbps Service (10 Mbps Down, 1 Mbps Up)			
Year	Frontier Reported Annual Progress	Cumulative Household Commitment	Frontier Reported Cumulative Progress
2018			
2019			
2020			

CONFIDENTIAL (REDACTED)			
Northern California 10 Mbps Service (10 Mbps Down, 1 Mbps Up)			
Year	Frontier Reported Annual Progress	Cumulative Household Target	Frontier Reported Cumulative Progress
2022			

CONFIDENTIAL (REDACTED)			
25 Mbps Service (25 Mbps Down, 2~3 Mbps Up)			
Year	Frontier Reported Annual Progress	Cumulative Household Target	Frontier Reported Cumulative Progress
2017			
2018			
2019			
2020			
2021			
2022			

CONFIDENTIAL (REDACTED)			
6 Mbps Service (6 Mbps Down, 1~1.5 Mbps Up)			
Year	Frontier Reported Annual Progress	Cumulative Household Target	Frontier Reported Cumulative Progress
2018			
2019			
2020			
2021			
2022			

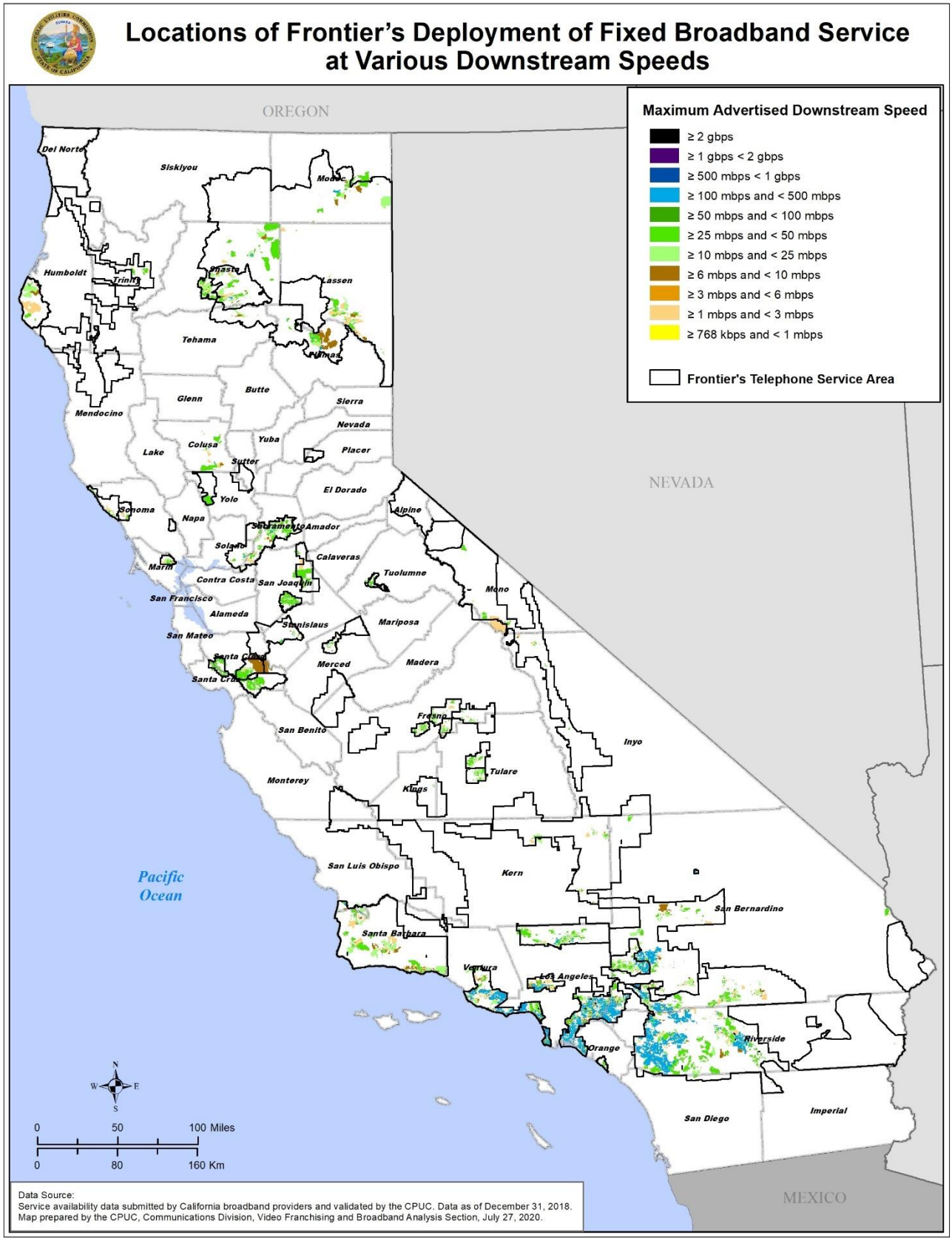

Status of Availability of 6/1 Mbps Fixed Broadband Service
in Frontier's Telephone Service Area
Served Status at 6/1 Mbps
as of December 31, 2018
Served Areas (6/1 mbps or faster)
Unserved Areas (Slower than 6/1 mbps)
Areas without Housing Units
Frontier's Telephone Service Area
OREGON
NEVADA
MEXICO
Pacific
Ocean
Siskiyou
Humboldt
Tehama
Glenn
Butte
Sierra
Nevada
Mendocino
Lake
Colusa
Yuba
Placer
Sutter
El Dorado
Yolo
Napa
Amador
Calaveras
Tuolumne
Mono
Contra Costa
San Francisco
Alameda
Mariposa
San Mateo
Merced
Madera
San Benito
Inyo
Tulare
Monterey
Kern
San Luis Obispo
San Bernardino
Ventura
Orange
Riverside
San Diego
Imperial
0 50 100 Miles
0 80 160 Km
Data Source:
Service availability data submitted by California broadband providers and validated by the CPUC. Data as of December 31, 2018.
Map prepared by the CPUC, Communications Division, Video Franchising and Broadband Analysis Section, July 27, 2020.

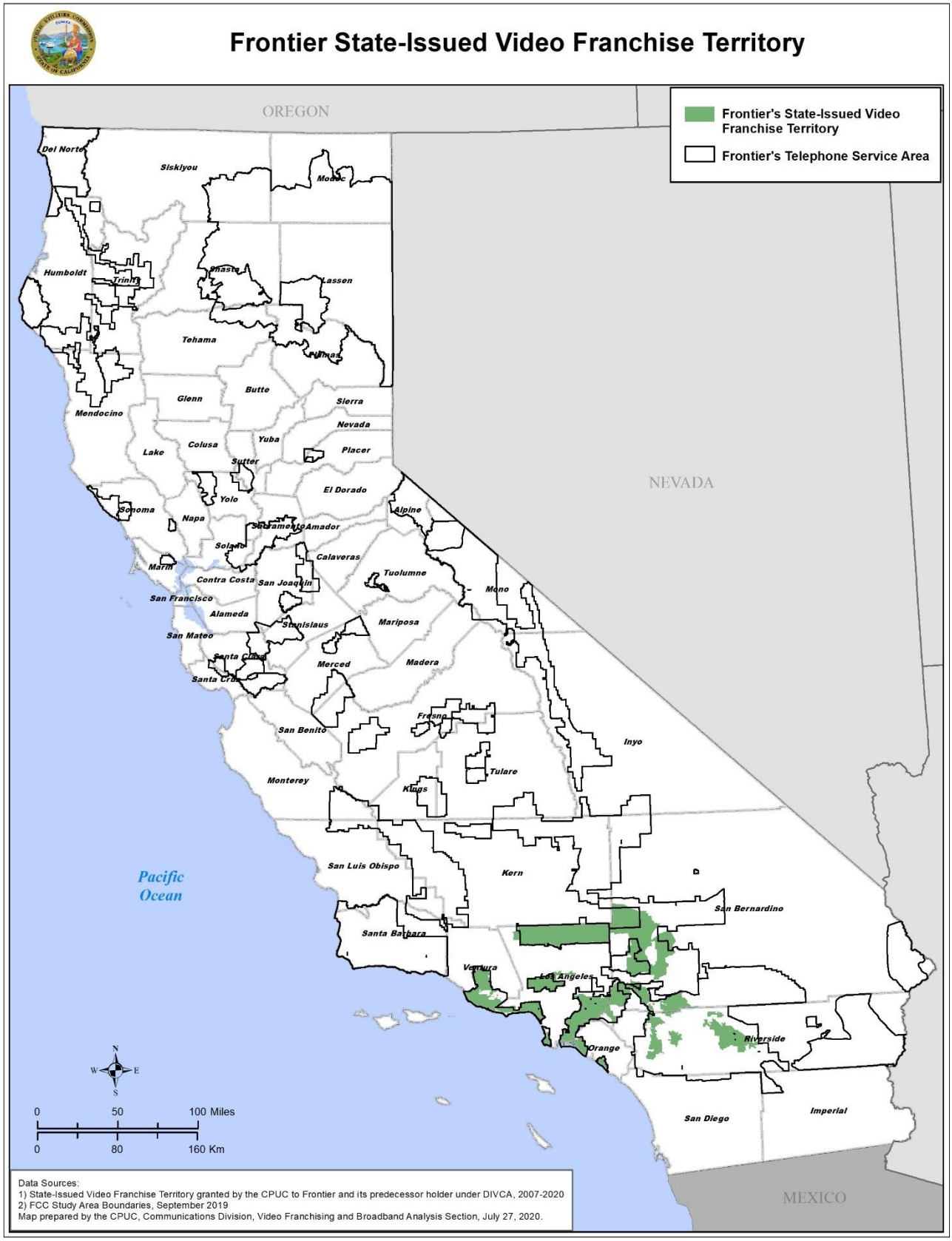
Frontier's Service Offerings in California

Frontier offers both telephone services and broadband internet access services (broadband services) to residential and business customers in California. In terms of telephone service, Frontier offers plain old telephone service (POTS) or Voice over Internet Protocol (VoIP) service. As a Carrier of Last Resort (COLR) in California, Frontier must offer basic telephone service on a non-discriminatory basis. Frontier has not requested to relinquish its COLR status.

For Frontier's broadband services, it offers both digital subscriber lines (DSL) and fiber services. As of year-end 2018, Frontier offered broadband services to consumers in 35 counties. In contrast, Frontier offered broadband services to businesses in 41 counties.

Frontier also offers video services. Frontier's video franchise encompasses five California counties: Ventura, Los Angeles, Orange, Riverside, and San Bernardino. These locations in which Frontier offers video services are the same locations as where Verizon built its Fios network.


Locations of Frontier's Deployment of Fixed Broadband Service at Various Downstream Speeds
Maximum Advertised Downstream Speed
≥ 2 gbps
≥ 1 gbps < 2 gbps
≥ 500 mbps < 1 gbps
≥ 100 mbps and < 500 mbps
≥ 50 mbps and < 100 mbps
≥ 25 mbps and < 50 mbps
≥ 10 mbps and < 25 mbps
≥ 6 mbps and < 10 mbps
≥ 3 mbps and < 6 mbps
≥ 1 mbps and < 3 mbps
≥ 768 kbps and < 1 mbps
Frontier's Telephone Service Area
OREGON
NEVADA
MEXICO
Pacific Ocean
Del Norte
Siskiyou
Modoc
Humboldt
Trinity
Shasta
Lassen
Tehama
Plumas
Glenn
Butte
Sierra
Mendocino
Nevada
Colusa
Yuba
Lake
Placer
Sutter
El Dorado
Yolo
Sonoma
Napa
Alpine
Sacramento
Amador
Solano
Calaveras
Marin
Contra Costa
San Joaquin
Tuolumne
Mono
San Francisco
Alameda
Stanislaus
Mariposa
San Mateo
Santa Clara
Merced
Madera
Santa Cruz
Fresno
San Benito
Inyo
Tulare
Monterey
Kings
San Luis Obispo
Kern
San Bernardino
Santa Barbara
Ventura
Los Angeles
Orange
Riverside
San Diego
Imperial
N
W
E
S
0
50
100 Miles
0
80
160 Km
Data Source:
Service availability data submitted by California broadband providers and validated by the CPUC. Data as of December 31, 2018.
Map prepared by the CPUC, Communications Division, Video Franchising and Broadband Analysis Section, July 27, 2020.


Frontier State-Issued Video Franchise Territory
Frontier's State-Issued Video Franchise Territory
Frontier's Telephone Service Area
OREGON
NEVADA
MEXICO
Pacific Ocean
Del Norte
Siskiyou
Modoc
Humboldt
Trinity
Shasta
Lassen
Tehama
Plumas
Glenn
Butte
Sierra
Mendocino
Nevada
Colusa
Yuba
Placer
Lake
Sutter
El Dorado
Yolo
Sonoma
Napa
Alpine
Sacramento
Amador
Solano
Calaveras
Marin
Contra Costa
San Joaquin
Tuolumne
Mono
San Francisco
Alameda
Stanislaus
Mariposa
San Mateo
Santa Clara
Merced
Madera
Santa Cruz
Fresno
San Benito
Inyo
Tulare
Monterey
Kings
San Luis Obispo
Kern
San Bernardino
Santa Barbara
Ventura
Los Angeles
Riverside
Orange
San Diego
Imperial
0 50 100 Miles
0 80 160 Km
Data Sources:
1) State-Issued Video Franchise Territory granted by the CPUC to Frontier and its predecessor holder under DIVCA, 2007-2020
2) FCC Study Area Boundaries, September 2019
Map prepared by the CPUC, Communications Division, Video Franchising and Broadband Analysis Section, July 27, 2020.

Competition Level Within Frontier's Footprint in California

The Communications Division analyzed the number of service providers in locations in which Frontier offered either telephone or broadband internet access services.

Number of Households in Unserved Urban, Rural and Tribal Census Blocks and in Low-Income Census Tracts in Which Frontier Offered Telephone Services in 2017

The Communications Division also assessed the number of households (including low-income households) in various census blocks (urban, rural, and tribal) in which Frontier offered telephone services in 2017. This analysis has differences from the results of the section called, "Low-Income Households," located above. Here are these differences:

1. the telephone service areas are based upon information from the service providers resulting from the CPUC requirement in Decision 1612025, which directed CPUC staff to analyze, monitor, and report information regarding California's telecommunications market;
2. uses information from 2017 for the census blocks given to the CPUC from the service providers; and
3. uses information from 2014 for the census tracts showing median household income.

Based on this analysis, there were about 2.88 million households who lived in census blocks encompassing 48 counties in which Frontier offered telephone services. About 6% of these 2.88 million households lived in census blocks in which Frontier was the only telephone service provider offering POTS or VoIP service. Approximately 46% of these households who lived in census blocks in which Frontier was the only telephone service provider offering POTS or VoIP service was low-income (i.e., had a median household income of less than $50,000).

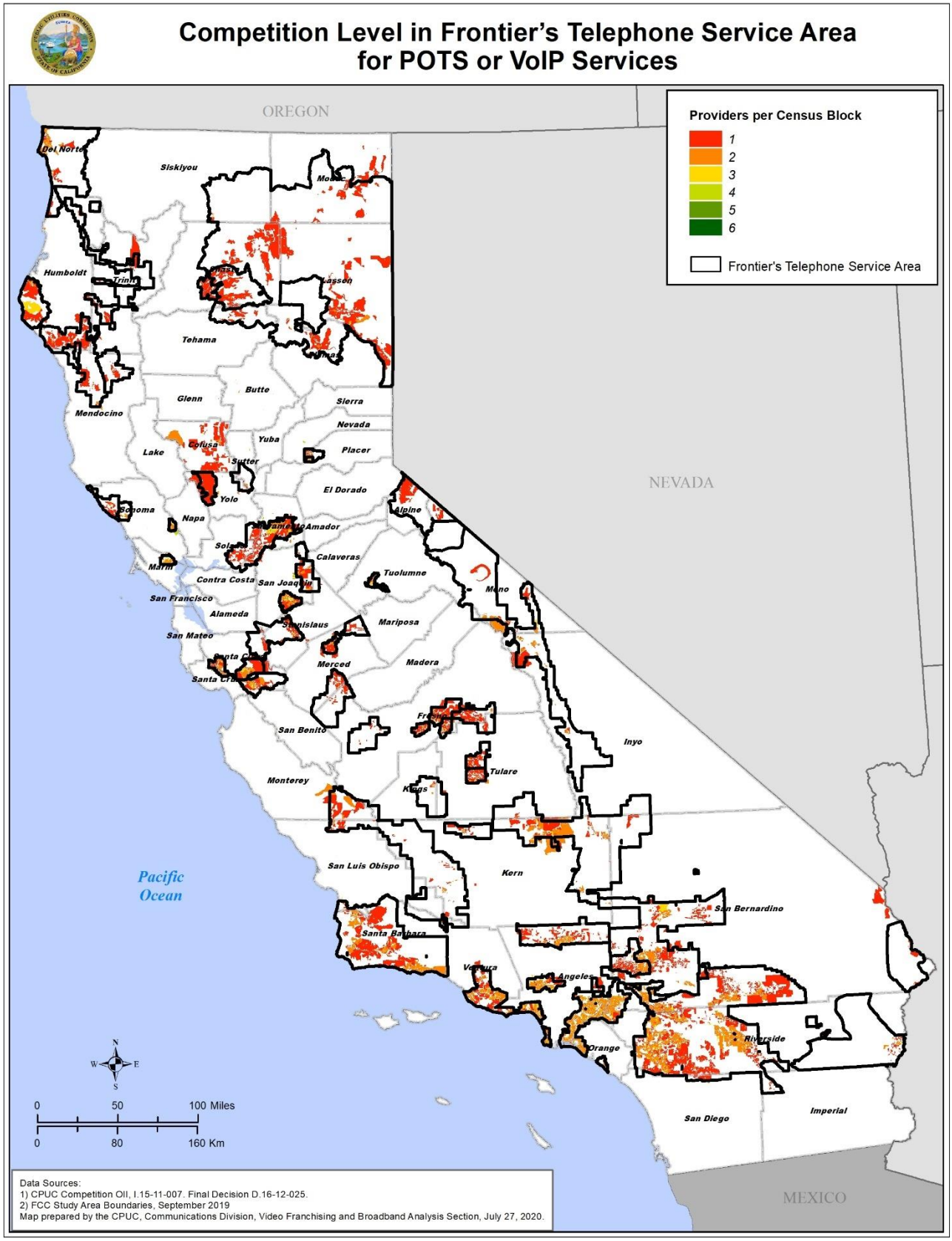
An estimated 60% of households who lived in census blocks considered as a rural location only had the option of Frontier for subscribing to POTS or VoIP service. If Frontier stopped offering POTS or VoIP service back in 2017, then about 34% of households who lived in census blocks considered as a rural location would have had only one service provider from whom to purchase POTS or VoIP service.

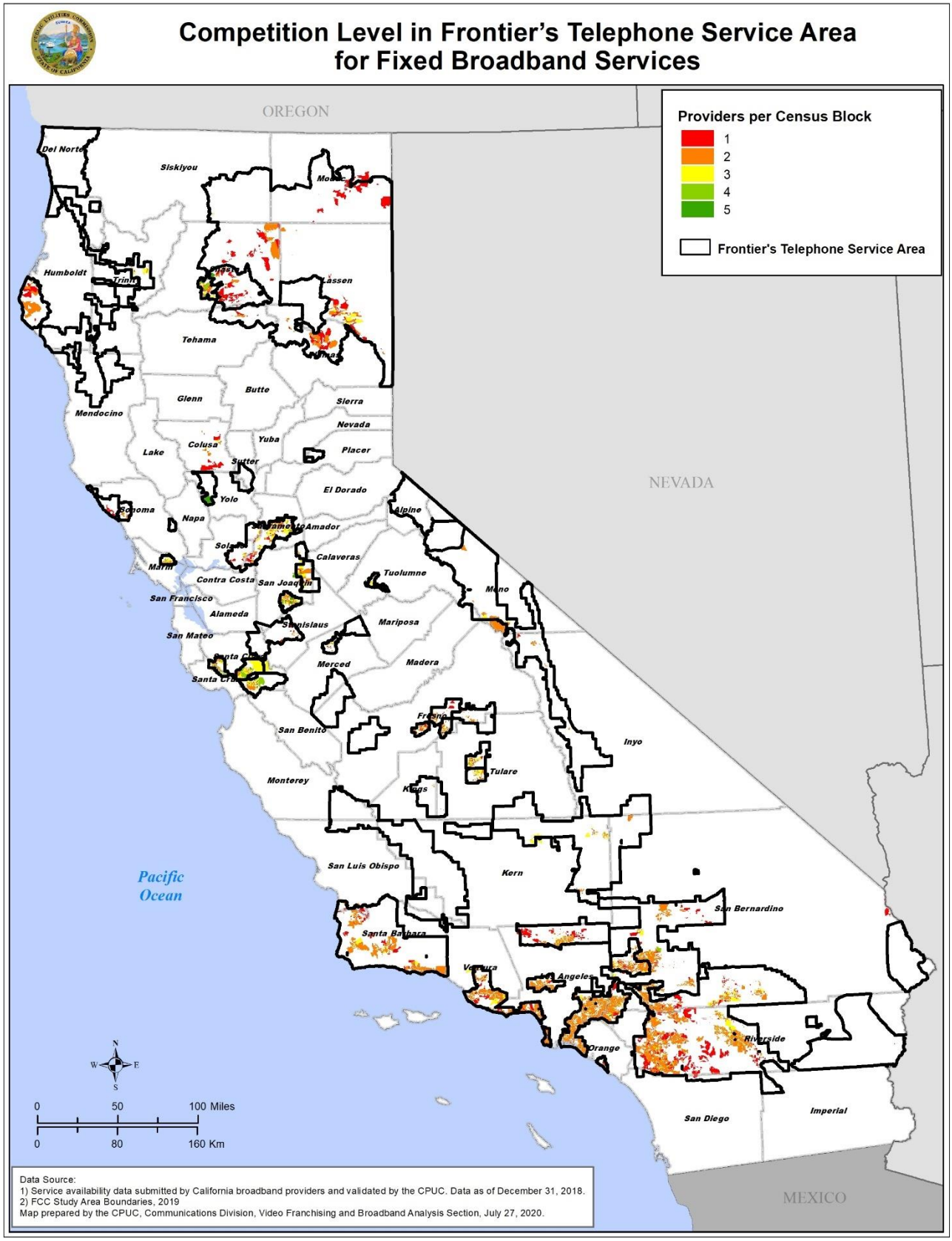
Approximately 16% of households who lived in census blocks considered as a Tribal location only had the option of Frontier for subscribing to POTS or VoIP service. If Frontier stopped offering POTS or VoIP service back in 2017, then about 79% of households who lived in census blocks considered as a Tribal location would have had only one service provider from whom to purchase POTS or VoIP service.

Accounting for the availability of wireless telephone services decreases the potential impact of Frontier exiting the locations in which it was the only service provider of POTS or VoIP service.

Plain Old Telephone Service and Voice over Internet Protocol Service						
	Total # of Households	# of Households Urban	# of Households Rural	# of Households Tribal	# of Households in Census Tracts with Median Household Income 2014 < $50k	# of Households in Census Tracts with Median Household Income 2014 < $25k
Served only by Frontier	164,581	81,932	82,649	2,552	75,852	9,166
	5.7%	3.0%	60.3%	15.6%	8.7%	9.9%
Frontier and 1 Other Service Provider	2,411,821	2,365,483	46,338	12,923	728,443	78,649
	83.6%	86.0%	33.8%	78.9%	83.8%	85.2%
Frontier and 2 Other Service Providers	283,362	276,410	6,951	906	59,654	3,899
	9.8%	10.1%	5.1%	5.5%	6.9%	4.2%
Frontier and 3 or More Other Service Providers	26,860	25,802	1,058	-	4,959	612
	0.9%	0.9%	0.8%	0.0%	0.6%	0.7%

Plain Old Telephone Service, Voice over Internet Protocol Service, and Wireless Telephone Services (Excludes Satellite Service)						
	Total # of Households	# of Households Urban	# of Households Rural	# of Households Tribal	# of Households in Census Tracts with Median Household Income 2014 < $50k	# of Households in Census Tracts with Median Household Income 2014 < $25k
Served only by Frontier	2,364	204	2,160	219	1,673	120
	0.1%	0.0%	1.6%	1.3%	0.2%	0.1%
Frontier and 1 Other Service Provider	10,045	3,740	6,306	287	6,821	1,135
	0.3%	0.1%	4.6%	1.8%	0.8%	1.2%
Frontier and 2 Other Service Providers	22,541	7,152	15,389	392	11,664	2,734
	0.8%	0.3%	11.2%	2.4%	1.3%	3.0%
Frontier and 3 or More Other Service Providers	2,851,674	2,738,532	113,141	15,483	848,750	88,336
	98.8%	99.6%	82.6%	94.5%	97.7%	95.7%


Competition Level in Frontier's Telephone Service Area
for POTS or VoIP Services
OREGON
NEVADA
MEXICO
Providers per Census Block
1
2
3
4
5
6
Frontier's Telephone Service Area
Del Norte
Siskiyou
Modoc
Humboldt
Trinity
Lassen
Tehama
Plumas
Glenn
Butte
Sierra
Mendocino
Nevada
Yuba
Lake
Colusa
Placer
Sutter
El Dorado
Yolo
Sonoma
Napa
Alpine
Amador
Solano
Calaveras
Marin
Contra Costa
San Joaquin
Tuolumne
Mono
San Francisco
Alameda
Stanislaus
Mariposa
San Mateo
Santa Cruz
Merced
Madera
Fresno
San Benito
Inyo
Tulare
Monterey
Kings
San Luis Obispo
Kern
Pacific Ocean
San Bernardino
Santa Barbara
Ventura
Los Angeles
Orange
Riverside
San Diego
Imperial
N
W
E
S
0
50
100 Miles
0
80
160 Km
Data Sources:
1) CPUC Competition OII, I.15-11-007. Final Decision D.16-12-025.
2) FCC Study Area Boundaries, September 2019
Map prepared by the CPUC, Communications Division, Video Franchising and Broadband Analysis Section, July 27, 2020.


Competition Level in Frontier's Telephone Service Area
for Fixed Broadband Services
OREGON
NEVADA
MEXICO
Providers per Census Block
1
2
3
4
5
Frontier's Telephone Service Area
Del Norte
Siskiyou
Modoc
Humboldt
Trinity
Lassen
Tehama
Plumas
Glenn
Butte
Sierra
Mendocino
Nevada
Colusa
Yuba
Placer
Lake
Sutter
El Dorado
Yolo
Sonoma
Napa
Alpine
Amador
Solano
Calaveras
Marin
Contra Costa
San Joaquin
Tuolumne
Mono
San Francisco
Alameda
Stanislaus
Mariposa
San Mateo
Santa Cruz
Merced
Madera
Fresno
San Benito
Inyo
Tulare
Monterey
Kings
San Luis Obispo
Kern
Pacific Ocean
San Bernardino
Santa Barbara
Ventura
Los Angeles
Orange
Riverside
San Diego
Imperial
N
W
E
S
0
50
100 Miles
0
80
160 Km
Data Source:
1) Service availability data submitted by California broadband providers and validated by the CPUC. Data as of December 31, 2018.
2) FCC Study Area Boundaries, 2019
Map prepared by the CPUC, Communications Division, Video Franchising and Broadband Analysis Section, July 27, 2020.