



**California Emerging Technology Fund
Partnership with Frontier Communications
Request for Letters of Interest**

http://www.cetfund.org/investments/Grant_Opportunities_2016.

– February 12, 2016 –

Purpose and Background

The purpose of this Request for Letters of Interest is to invite community-based organizations (CBOs) with an established record of performance achieving broadband adoptions among low-income households to declare their interest in participating in the Partnership between Frontier Communications and the California Emerging Technology Fund (CETF) consistent with the Memorandum of Understanding (MOU) between Frontier and CETF (page 4).

Frontier Communications Corporation (NASDAQ: FTR) is an S&P 500 company and is included in the FORTUNE 500 list of America's largest corporations. Frontier is proud to offer FiOS and DSL broadband, voice, video, Wi-Fi, entertainment services, data security solutions, bundled offerings and specialized bundles for residential and work at home customers, as well as advanced business solutions for small, medium, and enterprise businesses. Recently, Frontier acquired approximately 4.8 million additional access lines from Verizon and as of April 1, 2016, when the acquisition is complete, Frontier will be the nation's fifth largest local exchange carrier (ILEC)/phone company, with more than 7 million access lines, 8.6 million voice and broadband connections and approximately 28,000 U.S. based employees across 29 states. More information is available at www.frontier.com and www.meetfrontier.com.

As per the MOU with CETF, Frontier has agreed to an aspirational goal of achieving 200,000 new broadband adoptions among low-income households over the next 3 years (beginning with outreach to the approximate 150,000 current Verizon voice lifeline customers) and is making available an affordable broadband rate of \$13.99 per month in their service territory, which will be bundled with telephone lifeline service. Frontier also is providing 50,000 Internet-enabled computing devices and \$3 million for performance-based grants to assist CBOs in achieving 50,000 new low-income household broadband adoptions (toward the 200,000 goal) in 2 years.

CETF will work with Frontier and CBO partners to target broadband adoptions and distribution of the 50,000 devices in Frontier service areas (see attached maps) as first priority. However the subscriptions and distribution of the devices will not be limited to Frontier customers—consumers will have a choice of broadband providers and CBOs will be responsible for providing information about all available affordable offers in the area. The devices will be available only to low-income households entering into a new subscription for broadband and grant payments will be made based on performance at \$60 per verified subscription facilitated by the grantee. CBOs will be responsible for: (a) outreach in-language and in-culture to priority low-income neighborhoods and populations; (b) introduction to basic digital literacy and orientation on use of the computing devices; and (c) explanation of available affordable broadband offers and assistance in contacting the selected provider to sign up.

Frontier will support and complement the CBO outreach process with marketing, communications and training of their customer representatives to assist with completion of the sign-up process for the Frontier offer.

CBOs are encouraged to collaborate with local schools and libraries to assist with distribution of information about the affordable broadband offer and availability of the computing device in conjunction with a new subscription for broadband service. Schools and libraries are encouraged to share this Request for Letters of Interest with their partner CBOs. Schools and libraries that have established experience in broadband adoption also are welcome to submit a Letter of Interest.

CBO grantees will be included the following activities: (a) refining the Strategic Framework to implement the MOU Public Benefit Contributions for Broadband Adoption; (b) providing input and feedback to Frontier on the content, targeting and timing of marketing communications to low-income communities within their service territories; and (c) participating in a “learning community” to continuously improve strategies and performance. CBOs with communications expertise also are invited to describe their interest in partnering with Frontier to deliver media messages and other content (in language and in culture) to priority low-income communities. In consultation with Frontier, CETF will develop the selection process, negotiate the grant agreements, and manage the grants to achieve specific outcomes. Grants will be paid directly to CBOs by Frontier pursuant to verification of performance by Frontier and CETF. No grant funds from Frontier will be paid to CETF.

Submission of Letters of Interest

CBOs are invited to submit a Letter of Interest by 5PM PST on Saturday, April 30, 2016, setting forth the following content:

- Statement of interest in partnering with Frontier and CETF and a brief explanation of how your organization’s experience will advance the purpose of the Partnership.
- Identification of the priority low-income neighborhoods and/or populations that will be the focus of your outreach and digital literacy work if you want to receive computing devices and funding from the \$3 million in grants to CBOs from Frontier.
- The number of new broadband adoptions for which you propose to accept responsibility to achieve (and the number of computing devices for which you will be responsible to distribute to low-income households subscribing to broadband) over a 2-year timeframe.
- Delineation of the key activities that you envision in order to accomplish the number of proposed new broadband adoptions and a general timetable.
- Description of your communications expertise in language and in culture and the ways in which you propose to partner with Frontier in delivering media messages if you have relevant experience in reaching low-income communities.

Letters of Interest must be submitted online:

www.cybergrants.com/pls/cybergrants/ao_login.login?x_gm_id=2692&x_proposal_type_id=41148

You must first register, then sign-in to respond to the questions above. All Letters of Interest must be submitted in the system by 5PM PST April 30, 2016. You are strongly advised to register and sign-in during February to become familiar with the system prior to submitting the Letter of Interest.

CETF and Frontier will conduct briefing conference calls to explain and answer questions about this Request for Letters of Interest on:

- Friday, February 19, at 10AM
- Thursday, March 10, at 2PM

Please use the following conference line: 712-432-3900 passcode 1559255#

Please be sure to read the Background before the call and before writing your Letter of Interest.

CETF will review and analyze the Letters of Interest and propose participating partners to meet together as a group with Frontier and CETF in April and/or May 2016 to collaborate on development of the Strategic Implementation Plan. Criteria for selection of prospective partners will include:

- (a) Focus and experience in working in Frontier service areas.
- (b) Clarity of the stated intent and delineated key activities to achieve the proposed number of broadband adoptions.
- (c) Past track record of delivering outcomes and achieving success.

CETF will negotiate and complete Grant Agreements with CBOs agreeing to achieve new broadband adoptions that will have a term for performance beginning July 1, 2016 (or as soon thereafter as practical and agreed-upon) and to be completed as soon as possible and no later than June 30, 2018.

Please distribute this Request for Letters of Interest to other organizations that may be qualified to participate in this Frontier-CETF Partnership grant opportunity.

Summary of Frontier's Public Benefit Commitments

The following is a summary of the Public Benefit Commitments by Frontier Communications related to the acquisition of Verizon's wireline network in California as background for this Request for Letters of Interest. These Public Benefits are set forth in the Memorandum of Understanding between Frontier and CETF and are incorporated into the CPUC Decision. CETF will receive no funding from Frontier but will manage implementation of the grants to CBOs who will be paid directly by Frontier pursuant to verification of performance by CETF.

Frontier's Public Benefit Contributions for Broadband Adoption

- Commit to the aspirational goal of getting another 200,000 low-income households online in 3 years working collaboratively in a public-private partnership with CETF and CBO partners. Work with CETF and partners to develop the plan to connect 200,000 low-income households.
- Make available an "interim" affordable broadband offer of \$13.99 per month (exclusive of federal and state taxes) for low-income households throughout the service area who qualify and sign up for the Frontier Telephone Lifeline Plan through the FCC (with no additional requirements such as credit checks or long-term contracts) which will result in affordable telephone-broadband service at a total cost of \$17.65 for the basic plan (including measured rate service) and \$20.83 (including the flat rate service). The "interim" broadband affordable offer includes free installation and wireless modem and will be available until the FCC Broadband Lifeline Program is operational (with a reasonable time for transition of customers). The FCC Telephone Lifeline Program is being used to qualify for the "interim" broadband service for efficiency and transparency. Frontier will train its customer representatives (and designated contractors) to assist low-income residents determine eligibility and sign up.
- Actively market the "interim" affordable broadband plan (and FCC Lifeline Program when operational), beginning with the current 150,000 Verizon Telephone Lifeline customers. Place ads with ethnic and community media (both print and broadcast).
- Purchase 50,000 Internet-enabled computing devices with wireless modems to be distributed over the next 2 years (beginning during the 3rd quarter of 2016) by participating CBOs signing up low-income households for broadband service (not limited to the Frontier offer). The computing devices will be compatible with the needs of students, aligned with technology programs of major school districts in the Frontier service areas, and capable of helping prepare students for SBAC.
- Provide \$3M over 2 years to CBOs entering into performance-based agreements with CETF and Frontier to distribute the 50,000 computing devices and sign up low-income households.

Frontier's Public Benefit Contributions for Broadband Deployment

- Provide private-sector expertise for broadband wireline deployment into rural California.
- Upon close of the Verizon wireline acquisition in California, accept the FCC Connect American Fund (CAF) Phase 2 allocations for both Frontier and Verizon of \$38M / year for 6 years (total \$228M in broadband construction) to upgrade approximately 77,402 locations to 10 Mbps downstream and 1 Mbps upstream (10/1 Mbps).
- Improve broadband speeds for 250,000 households in Verizon service areas to support speeds of 25 Mbps downstream and 2 Mbps upstream (in addition to CAF funds).
- Build infrastructure to connect another 100,000 unserved households at 10/1 Mbps.

- Cooperate with CETF, Regional Consortia, local elected officials, and other stakeholders to explore and consider options to reach unserved households and underserved locations in 6 Northeastern California Counties: Shasta, Siskiyou, Modoc, Lassen, Plumas, and Tehama along the corridors defined by Highway 299 East from Redding to Alturas; Highway 139 from Alturas to Susanville; and Highway 36 from Susanville to Red Bluff.
- Build infrastructure to an additional 7,000 unserved households in legacy Frontier service areas with particular attention to the 6 Northeastern Counties.
- Install 50 WiFi hot spots throughout the services territory capable of supporting 1,250 users simultaneously at 10/1 Mbps and construct at least 10 of them by January 2017.
- Frontier will engage with FirstNet, CENIC, K-12HSP, and California Telehealth Network.

Accountability and Consumer Advisory Board

- Frontier and CETF will provide quarterly reports on progress and the executive will meet quarterly to review progress on their respective commitments and to consult with one another on responsibilities going forward.
- Frontier will establish a Consumer Advisory Board of 12 members that will meet quarterly. CETF will have 1 representative and CBO partners will have 1 representative designated by CETF (for a total of 2 members).
- Frontier recognizes the importance of leadership continuity and will consult with CETF on any transition of executives responsible for implementing the MOU.