



**California Emerging Technology Fund  
Partnership with Frontier Communications, Inc.  
Original Memorandum of Understanding and Settlement Agreement Public Benefits**

The following is a summary of the Public Benefit Commitments by Frontier Communications, Inc. related to the acquisition of Verizon's wireline network in California. These Public Benefits are set forth in the Memorandum of Understanding between Frontier and CETF (incorporated into the CPUC Decision, October 2015) and in the subsequent Settlement Agreement (December 2018). CETF receives no funding from Frontier, but manages implementation of the grants to CBOs with funds provided to CETF by Frontier.

**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.
- Engage with FirstNet, CENIC, K-12HSP, and California Telehealth Network.
- Meet with CETF annually to provide a report on performance and review deployment plans.

**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 a revised stand-alone unbundled affordable broadband offer for low-income households throughout the service area who qualify (with no additional requirements such as credit checks or long-term contracts).

- Actively market the affordable broadband plan, beginning with the current 150,000 Verizon Telephone Lifeline customers. Place ads with ethnic and community media (both print and broadcast). Meet semi-annually with CETF to discuss strategies and plans.
- Provide \$25,000 to CETF to purchase targeted advertising in the Frontier service area to promote affordable offers. CETF shall analyze the results to share with Frontier.
- Purchase 45,000 Internet-enabled devices with wireless modems to be distributed by participating CBOs signing up low-income households for broadband service (not limited to the Frontier offer). The 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 to CBOs entering into performance-based agreements with CETF and Frontier to sign up 50,000 low-income households and distribute 45,000 devices. The \$3M shall be available until the adoption goal has been achieved.

#### **Accountability and Consumer Advisory Board**

- Frontier and CETF will provide quarterly reports on progress and the executives 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.