

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Joint Application of Northwest Fiber, LLC, Frontier Communications Corporation and Frontier Communications ILEC Holdings LLC for an Order Declining to Assert Jurisdiction Over, or, in the Alternative, Approving the Transfer of Control of Frontier Communications Northwest Inc. to Northwest Fiber, LLC.

Docket No. UT-190574

SETTLEMENT

1 This Agreement ("Agreement") is entered into between Northwest Fiber, LLC, Frontier Communications Corporation ("Frontier"), Frontier Communications ILEC Holdings LLC ("Frontier ILEC Holdings"), the Staff of the Washington Utilities and Transportation Commission ("Staff"), and the Public Counsel Unit of the Attorney General's Office ("Public Counsel")(collectively "Parties" or individually a "Party").

A. Background

2 On June 28, 2019, Northwest Fiber, LLC, Frontier and Frontier ILEC Holdings (collectively, "Joint Applicants") filed with the Washington Utilities and Transportation Commission ("Commission") a Joint Application requesting that the Commission decline to assert jurisdiction over a transaction involving the transfer of control of Frontier Communications Northwest, Inc. ("Frontier NW") from Frontier ILEC Holdings to Northwest Fiber, or, in the alternative, to approve the application for transfer ("Application"). On July 16, 2019, Public Counsel filed a notice of appearance in this docket. On July 18, 2019, Charter filed a petition to intervene in this docket. A

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prehearing conference was held on July 23, 2019, at which DoD/FEA petitioned to intervene orally. A prehearing conference order was issued on July 30, 2019, granting the Charter and DoD/FEA interventions and adopting a procedural schedule in the docket. The Parties subsequently engaged in settlement discussions, and now enter voluntarily into this Agreement to resolve all issues addressed herein. This Agreement resolves all issues in the proceeding raised by Staff and Public Counsel. Joint Applicants have entered into separate settlement agreements with Charter and with DOD/FEA, respectively, resolving all additional issues raised by Charter and DoD/FEA.

B. Nature of Agreement

3 This Agreement, is a "Full Multiparty Settlement" within the meaning of WAC 480-07-730(3)(a), and the Parties agree that the Agreement is in the public interest and should be accepted in resolution of all issues raised by Staff and Public Counsel. Joint Applicants have entered additional settlement agreements with Charter and with DOD/FEA, respectively, resolving other issues raised by Charter and DoD/FEA. The Parties understand that this Agreement is subject to Commission approval and that any parties opposed to the Commission's adoption of this proposed settlement retain certain rights under WAC 480-07-740(3)(c).

C. Positions Are Not Conceded

4 In reaching this Agreement, no Party necessarily accedes to any particular argument made by any other Party.

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D. Agreement Subject to Commission Approval.

5 The Parties understand and agree that this Agreement in no manner binds the
Commission in ruling on the pending proceeding until such a time as the Commission
approves the Agreement. The Agreement is expressly subject to Commission approval
except for Sections I and J below.

E. Agreed Conditions on Approval of the Transaction

6 The conditions agreed upon by the Parties are set forth in Attachment A to this
Agreement.

F. Effective Date

7 The effective date of the Agreement is the date the Agreement is approved, without
change, by Commission order. Notwithstanding the effective date of the Agreement as a
whole, Sections I and J below, which require the Parties to support the Agreement before
the Commission and govern publicity regarding the Agreement, are effective on the
execution date of the Agreement. The execution date of the Agreement is the date of the
latest signature. If the Commission rejects the Agreement, the Agreement fails to take
effect, and the parties respectfully request that the Commission will instead enter an order
on all contested issues. In the event the Commission accepts the Agreement upon
conditions not proposed herein, the procedures set forth in Section K below shall apply.

G. Filing of the Agreement

8 The Parties agree to use the following procedures to seek Commission approval of the
Agreement. Staff will file this Agreement with the Commission on behalf of the Parties

and the Parties will file written testimony in support of the Agreement. The transmittal letter will recommend that the Commission accept the settlement as the complete and final resolution of all issues addressed herein.

H. Agreement Approval Procedures

9 The Parties understand the Commission has discretion, consistent with applicable law, to determine the appropriate procedures for determining whether it will approve this Agreement. Pursuant to WAC 480-07-740(1), the Parties urge the Commission to approve the settlement as soon as possible.

I. Support of the Agreement

10 All Parties agree to use their best efforts to support the Agreement as a settlement of all contested issues in the pending proceeding. At a minimum, the Parties will provide supporting witnesses to sponsor the Agreement at a Commission hearing and recommend that the Commission issue an order adopting this Agreement as the resolution of this proceeding and to provide such other evidence or briefing that the Commission may require pursuant to WAC 480-07-740(2). No Party to this Agreement or their agents, employees, consultants or attorneys will engage in any advocacy contrary to the Commission's prompt consideration of this Agreement or support any other party's opposition to this Agreement.

J. Publicity

11 All Parties agree: (1) to provide all other Parties the right to review in advance of publication any and all announcements or news releases that any other Party intends to

make about the Agreement (with the right of review to include a reasonable opportunity to request changes to the text of such announcements) and (2) to include in any news release or announcement a statement that the Agreement is subject to Commission approval and that the Commission Staff's recommendation to approve the settlement is not binding on the Commission itself.

K. Procedure if the Commission Provides Less Than Full Approval

12 In the event the Commission rejects or alters this Agreement, the Parties propose that the Commission decide all contested issues as explained in Sections F and G and issue a decision as soon as possible. In the event the Commission accepts the Agreement upon conditions not proposed herein, each Party reserves its right, upon written notice to the Commission and the Parties within five (5) business days of the Commission's Order, to state its rejection of the conditions and withdrawal from the Agreement.

L. The Agreement as Precedent

13 The Parties have entered into this Agreement to avoid further expense, inconvenience, uncertainty and delay. Nothing in this Agreement (or any testimony, presentation or briefing supporting the Agreement) shall be asserted or deemed to mean that a Party agreed with or adopted another Party's legal or factual assertions in this proceeding. The limitations in this paragraph shall not apply to any proceeding to enforce the terms of this Agreement or any Commission order adopting this Agreement in full.

14 Because this Agreement represents a compromise position of the Parties, the Parties agree that no conduct, statements or documents disclosed in the negotiation of the

Agreement shall be admissible as evidence in this or any other proceeding. This paragraph does not apply to non-privileged, publicly available documents.

M. Entire Agreement

15 The Parties acknowledge that this Agreement is the product of negotiations and compromise and shall not be construed against any Party on the basis that it was the drafter of any or all portions of this Agreement. This Agreement constitutes the Parties' entire agreement on all matters set forth herein, and it supersedes any and all prior oral and written understandings or agreements on such matters that previously existed or occurred in this proceeding, and no such prior understanding or agreement or related representations shall be relied upon by the Parties.

N. Integrated Agreement

16 The Parties recommend that the Commission approve this Agreement with no material changes. The Parties have agreed to this Agreement as an integrated document.

O. Manner of Execution

17 This Agreement is considered executed when all Parties sign the Agreement. A designated and authorized representative may sign the Agreement on a Party's behalf. The Parties may execute this Agreement in counterparts. If the Agreement is executed in counterparts, all counterparts shall constitute one agreement. A faxed or emailed scanned signature page containing the signature of a Party is acceptable as an original signature page signed by that Party. Each Party shall indicate the date of its signature on the Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective attorneys or representatives.

Nina M. Suetake
Assistant Attorney General
Washington Attorney General's Office
Public Counsel Unit
800 Fifth Avenue, Suite 2000
Seattle, WA 98104-3188

Dated: _____

Counsel for PUBLIC COUNSEL



Kevin Saville
Sr. Vice President & General Counsel, Frontier
Communications Corporation
Vice President & General Counsel, Frontier
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401 Merritt 7
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Dated: 12/6/2019

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FRONTIER COMMUNICATIONS ILEC
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Dated: _____

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Office of the Attorney General
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621 Woodland Square Loop SE
P.O. Box 40128
Olympia, WA 98504-0128

Counsel for WUTC STAFF

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective attorneys or representatives.



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Dated: 12/18/2019

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their
respective attorneys or representatives.

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Nina M. Suetake
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Dated: _____

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Date: 12/19/19

Counsel for WUTC STAFF

ATTACHMENT A - CONDITIONS

1. FINANCIAL REPORTING

- a. For a period of three years following the Closing of the Transaction, Northwest Fiber, LLC will file annually with the Commission, by May 15 each year, a compliance report including audited financial statements (*i.e.*, income statement, balance sheet, and statement of cash flow for Northwest Fiber, LLC).
- b. For a period of five years following the Closing of the Transaction, Northwest Fiber, LLC will file annually with the Commission, by May 15 each year, a compliance report showing, for the prior calendar year, the number of locations passed with fiber and copper on a Washington state basis, the amount of capital expenditures invested to improve and expand broadband infrastructure, and total capital investments broken out by the following major categories: plant expansion, head-end/central office, CPE, installation, and maintenance. The template for this report is found in Exhibit 1.

2. FEDERAL UNIVERSAL SERVICE FUND (FUSF) REPORTING

Each year, beginning on July 15, 2020, and ending in 2024, Frontier Communications Northwest, LLC¹ (Frontier NW or ILEC²) will file a compliance filing in this docket reporting on the capital and expenses incurred by Northwest Fiber, LLC in its buildout activities in connection with the Connect America Fund Phase II (CAF-II) program and all other federal high-cost universal service (FUSF) programs during the previous calendar year. The template for this report is found in Exhibit 2.

3. CAPITAL EXPENDITURES AND ADDITIONAL BROADBAND INVESTMENT COMMITMENT

- a. Northwest Fiber LLC will continue to honor the broadband deployment obligations of Frontier NW through its participation in the Connect America Fund Phase II ("CAF II") program to ensure that by the end of 2020, at least 19,713 locations in the eligible census blocks in Frontier NW's Washington service area have access to 10/1 broadband service as required by the FCC CAF requirements.
- b. Post-closing of the transaction, Northwest Fiber, LLC will make adequate investments necessary to maintain full functionality of Frontier NW's legacy network to the extent it is not

¹ As in Exhibit 1 of the Joint Application initial filing, this is the presumed name of the entity post-closing, subject to confirmation.

² Incumbent local exchange carrier.

replaced by any upgraded network. If the company made any upgrades to the legacy network, it will include a narrative explaining such upgrades in the report identified in Condition 1 (b).

c. In addition to the commitments in sections 3.a. and 3.b., above, Northwest Fiber, LLC will ensure that Frontier NW will expend at least \$50 million on improving and expanding fiber-based broadband infrastructure, to locations and customers in the ILECs' Washington territory, capable of delivering approximately 1 gigabit symmetrical service to those locations and customers, within five years of the close of transaction. Northwest Fiber, LLC will ensure that Frontier NW expends at least \$10 million of the \$50 million outside of the Seattle/Everett Metropolitan Area.

d. In addition to the commitments in sections 3.a. and 3.b., above, Northwest Fiber will ensure that Frontier NW will invest such that no less than 33 percent of locations in Frontier NW's territory in Washington will have access to fiber-based broadband infrastructure capable of delivering approximately 1 gigabit symmetrical service within five years of the close of the transaction.

4. MAJOR OUTAGE REPORTING

a. Northwest Fiber, LLC will use best efforts to inform the Commission of each major outage by notifying a designated Commission Staff person within 30 minutes after a determination that a "major outage," as defined in WAC 480-120-021, is occurring. This obligation continues until December 31, 2023.

b. Northwest Fiber, LLC will simultaneously provide the notification Network Outage Reporting System (NORS) reports that it files with the FCC for reportable Washington outages to the Commission at the outage reporting email address: telecom-outage@utc.wa.gov. The submissions will be designated as confidential in the transmission and Northwest Fiber, LLC will not be required to add the WAC 480-07-160 designation to the footer in order to obtain confidential treatment; nor will a redacted version of the report be required except on subsequent request from the Commission Staff.

5. STATEWIDE 911 TRANSITION

a. Northwest Fiber, LLC (and the WA ILEC) will make all reasonable efforts to cooperate with all applicable parties in the ESINet 911 Transition in the state of Washington.

b. Until such time as TeleCommunications Systems, Inc. (TSYS) provides Frontier NW PBX and MLTS customers in Washington access to PS/ALI database management services (dbms), Northwest Fiber, LLC will provide all Frontier NW PBX and MLTS customers in Washington information on its publicly available website regarding alternative providers of dbms.

6. INTERCONNECTION AGREEMENT AND WHOLESALE TRANSPARENCY

- a. Frontier NW will continue to offer wholesale services and to negotiate in good faith for Interconnection Agreements and it will continue to honor existing Interconnection Agreements entered between legacy Frontier NW and another carrier.
- b. For so long as Frontier Communications Corporation ("Frontier") subsidiaries and Northwest Fiber, LLC subsidiaries interconnect with each other via Section 251 Interconnection Agreements, including amendments, Northwest Fiber LLC commits to file those agreements as required under Section 252 of the Telecommunications Act of 1996.

7. OPERATIONS SUPPORT SYSTEMS (OSS)

- a. Frontier must replicate the existing Frontier operations support systems, both retail and wholesale, and use these replicated systems for up to sixty (60) days prior to the close date of this transaction.
- b. Prior to going into production mode on the replicated systems, Frontier must share with Commission Staff and Public Counsel: (i) the "Program Test Strategy" Plan to be used to review the replicated systems and (ii) results of pre-production functionality tests on the customer-affecting systems that serve retail telecommunications customers showing that any severity level 1 failures (defined as full service denials) have been resolved, along with validation by a third party reviewer that the results are accurate.
- c. A third party reviewer of Washington results will be selected by Frontier and Northwest Fiber, LLC.
- d. Northwest Fiber, LLC will not close the transaction unless and until it has validated that the operational support systems ("OSS") are fully functioning and operational. Frontier must complete system testing and issue a report to the Commission validating that the OSS are operational in accordance with the terms of the purchase agreement at least five days prior to close. Frontier must provide retail service quality reports to Commission Staff at least five days prior to close on the following metrics:
 - i. Installation Commitments - Percent of Commitments Met;
 - ii. Network Trouble - Troubles per 100 Access Lines; and
 - iii. Repair - Percent of Out-of-Service Trouble Cleared in 48 Hours.

The reports must show that by the end of the production mode, there has been no material (i.e., of substantial import) degradation from benchmark quality of service data from twelve months prior to production mode on the replicated systems (using standard reporting procedures, including taking into account exogenous factors, such as weather or other natural disasters). Northwest Fiber, LLC will consider this data in the review that it performs to validate and confirm that the replicated systems are fully operational prior to closing.

8. SERVICE QUALITY REPORTING

a. Frontier will provide a retail service quality report to Commission Staff five days after close on the following metrics for Frontier NW's service territory in Washington with the most recent data:

- i. Business Office Answer Performance (Percent of calls answered within 30 seconds); and
- ii. Repair Line Answer Performance (Percent of calls answered within 30 seconds).

b. Frontier will provide a retail service quality report to Commission Staff five days after close on the following metrics in an Excel-compatible format for Frontier NW's service territory in Washington, with information on the following metrics at a wire center level for, at a minimum, the most recent three months:

- i. Network Trouble - Troubles per 100 Access Lines; and
- ii. Repeat Troubles - Repeat Troubles per 100 Access Lines.

c. For a period of three years after the closing, Northwest Fiber, LLC will provide, within 45 days of the end of each quarter, a quarterly retail service quality report to Commission Staff that includes the following information in an Excel compatible format for Frontier's service territory in Washington, with information on the following metrics shown on a monthly basis:

- i. Business Office Answer Performance (Percent of calls answered within 30 seconds); and
- ii. Repair Line Answer Performance (Percent of calls answered within 30 seconds).

d. For a period of three years after the closing, Northwest Fiber, LLC will provide, within 45 days of the end of each quarter, a quarterly retail service quality report to Commission Staff that includes the following information in an Excel compatible format for Frontier's service territory in Washington, with information on the following metrics at a wire center level shown on a monthly basis:

- i. Network Trouble - Troubles per 100 Access Lines; and
- ii. Repeat Troubles - Repeat Troubles per 100 Access Lines.

9. MOST FAVORED NATION (MFN) CLAUSE

The Companies (Frontier and Northwest Fiber, LLC) hereby represent and warrant as of the date hereof and covenant and agree from and after the date hereof that none of the terms offered to any Other State or Non-Applicant in any Other Agreement, is or will be more favorable to such Other State or Non-Applicant than those of the State of Washington Utilities and Transportation Commission and this Agreement. If, and whenever on or after the date hereof, the Companies enter into an Other Agreement, then (i) the Companies shall provide written notice thereof to the State of Washington Utilities and Transportation Commission and confer with the Parties, and (ii) upon execution by the Companies and such Other State or Non-Applicant signatories to any Other Agreement, the terms and conditions of this Agreement and the Other Agreement shall be, without any further action by the State of Washington Utilities and Transportation Commission or the Companies, upon request by any Party to this Agreement, amended and modified through regular Commission procedures in a legally equivalent manner such that the State of Washington Utilities and Transportation Commission shall receive the benefit of the more favorable terms

and/or conditions (as the case may be) set forth in such Other Agreement, provided that upon written notice to the Companies at any time the State of Washington Utilities and Transportation Commission may elect not to accept the benefit of any such amended or modified term or condition, in which event the term or condition contained in this Agreement shall apply to the State of Washington Utilities and Transportation Commission as it was in effect immediately prior to such amendment or modification as if such amendment or modification never occurred with respect to the State of Washington Utilities and Transportation Commission. The Companies reserve the right to petition the Commission for reconsideration of any order adopting modified terms and conditions to this Agreement pursuant to the Commission's procedures, or to seek any other appropriate relief pursuant to Washington law.

Frontier Northwest
CapEx by Major Category
 State: Washington

Major Category	Year B** FY Act
Plant Expansion	0
Head-End/Central Office	0
CPE	0
Installation	0
Maintenance	0
Total Capex	0

Locations Passed		
	Year A*	Year B**
Fiber		
Copper		
Total		

**Year B is the year end date for the "reporting" year.
 * Year A is the year end value for the year before the "reporting" year.

Capex to Improve and Expand Broadband

Settlement - Attachment A - Exhibit 2

Docket UT-190574

Washington	2015	2016	2017	2018	2019	2020	2021
Total OpEx (All GL Main Acct 6xxx)							
% of HC & EHC locations based on CACM							
*CAF-II Allocated OpEx							
Total *CAF-II CapEx							
Total OpEx & *CAF-II CapEx (HC & EHC)							

*CAF-II includes successor high-cost support for purposes of this condition.

State	Company	Dominant CLLI	Wire Center	YYYY Year Number of CAF-II Locations	Cumulative Number of CAF-II Locations
WA	ILEC Name	CLLI Code	Wire Center Name 1		
WA	ILEC Name	CLLI Code	Wire Center Name 2		
WA	ILEC Name	CLLI Code	Wire Center Name 3		
WA	ILEC Name	CLLI Code	Wire Center Name 4		
WA	ILEC Name	CLLI Code	Wire Center Name 5		
WA	ILEC Name	CLLI Code	Wire Center Name 6		
WA	ILEC Name	CLLI Code	Wire Center Name 7		
WA	ILEC Name	CLLI Code	Wire Center Name 8		
WA	ILEC Name	CLLI Code	Wire Center Name 9		
WA	ILEC Name	CLLI Code	Wire Center Name 10		
			Total		