MINNESOTA
PUBLIC UTILITIES COMMISSION

Staff Briefing Papers

Meeting Date	February 18, 2021	Agenda Item 2**
Company	Frontier Communications of Minnesota, Inc., Citizens Telecommunications Company of Minnesota, and Frontier Communications of America, Inc.	
Docket No.	**P405, P407, P5361/PA-20-504** **In the Matter of the Joint Application of Frontier Communications Corporation, Frontier Subsidiary Telco, LLC, Citizens Newtel, LLC, Frontier Communications of Minnesota, Inc., Citizens Telecommunications Company of Minnesota, LLC, and Frontier Communications of America, Inc. for Approval of a Transfer of Control due to a Chapter 11 Plan of Reorganization of Frontier Communications Corporation and its Subsidiaries**	
Issues	Should the Commission Reconsider Its December 7, 2020 Order in This Matter?	

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✓ **Relevant Documents**	**Date**
Order Approving Transfer of Control of Minnesota Telecommunications Subsidiaries	December 7, 2020
Petition of the CWA for Reconsideration of December 7, 2020, Order Approving Transfer of Control	December 28,2020
Answer of Frontier to Petition for Reconsideration of the CWA	January 7, 2021
Answer of the Minnesota Department of Commerce to the CWA's Petition for Reconsideration	January 7, 2021

The attached materials are work papers of the Commission Staff. They are intended for use by the Public Utilities Commission and are based upon information already in the record unless noted otherwise.

Relevant Documents	Date

I. Statement of the Issues

1. Should the Commission Reconsider Its December 7, 2020 Order in This Matter?

II. Background

On May 22, 2020, Frontier Communications Corporation, Frontier Subsidiary Telco LLC, Citizens Newtel, LLC, Frontier Communications of Minnesota, Inc., Citizens Telecommunications Company of Minnesota, LLC, and Frontier Communications of America, Inc. (collectively, "Frontier" or "Company") filed an application requesting that the Minnesota Public Utilities Commission ("Commission") approve the planned restructuring of Frontier to effectuate a pre-arranged reorganization plan under chapter 11 ("Chapter 11") of title 11 of the United States Code ("Bankruptcy Code") pursuant to Minn. Stat. §§ 237.23, 237.74, and any other applicable statutes or rules.

On December 7, 2020, the Minnesota Public Utilities Commission issued an order approving Frontier's application for the transfer of control of its Minnesota operating subsidiaries to a new parent company.

On December 28, the Communications Workers of America (CWA) filed a petition for reconsideration of the Commission's order.

On January 7, 2021, Answers to the CWA's petition were filed by Frontier and the Minnesota Department of Commerce.

III. Parties' Comments

CWA

CWA Focus: Voluntary Commitments in other States

Since September 24 Commission meeting, Frontier has made commitments to invest over two billion dollars in at least three other states -- commitments that have the potential to divert resources away from Minnesota and leave consumers without access to essential high-speed broadband services. Initially, in the Connecticut reorganization proceeding, Frontier filed its Reply Brief on December 2, 2020. On page 38 of that brief, for the first time, Frontier made the following commitment: "The Company will agree to expand its fiber to the premises ("FTTP") network to at least 100,000 additional locations in Connecticut within four years after the Authority's approval of the Restructuring and the Company's emergence from Chapter 11." This fiber deployment will require a multimillion-dollar annual investment for each of the next four years.

Second, on December 18, 2020, Frontier, CWA, Staff of the Public Service Commission of West Virginia, and the Consumer Advocate Division of the Public Service Commission of West Virginia filed a joint stipulation that, among others, classifies Frontier's operations in West Virginia as "InvestCo" Companies, requires Frontier to deploy Gigabit capable fiber to not fewer than 150,000 locations in West Virginia by the end of 2027, and requires a minimum investment of $200 million in West Virginia over a three-year period ending on December 31, 2023.[1]

Most recently, Frontier, CWA, The Utility Reform Network ('TURN"), and the Public Advocates Office at the California Public Utilities Commission ("Cal Advocates") filed a settlement agreement on December 24, 2020. In that settlement, Frontier agreed to strengthen its workforce to meet service quality standards and expand fiber deployment across the state. As part of the proposed settlement, Frontier committed to spend at least $1.75 billion over the next four years on service quality and network enhancement projects, as well as provide a detailed plan with input from CWA, TURN and Cal Advocates that identifies needs like plant repair, maintenance, hiring, and how Frontier intends to address them. Under this settlement, Frontier will deploy FTTP to 350,000 locations within the next six years. Furthermore, Frontier made other commitments, such as maintaining its total employee technician staffing in California over the next three years and providing expanded training to its employee technicians.

In addition to these specific commitments in three states, on December 15, 2020, Frontier made a presentation to its investors. In that presentation, Frontier discusses its fiber investment plans as follows: "~2.6M of the ~2.9M targeted new fiber home passings in the Modernization Plan are aimed at increasing fiber density in 'CTFC' (CA, TX, FL, and CT), and 'WINO' (WV, IL, NY, and OH)." On that same page, it mentions only two other states as possible candidates for additional fiber investment: Indiana and Pennsylvania.

It is now readily apparent that Frontier has no plans to increase the level of investment in Minnesota, and certainly not its investment in fiber to the premises. None of these commitments and plans in other states were known or knowable by the Commission when it voted on September 24, 2020. CWA submits that these commitments require the Commission to reconsider the decision that does not require Frontier to make any additional commitments to investment, service enhancement, or FTTP deployment in Minnesota. To do otherwise runs the risk that Frontier will divert resources away from Minnesota to meet its commitments in other states.[2]

Frontier

Frontier Emphasizes Role of Already Existing Settlements in Minnesota

[1] CWA Petition for Reconsideration at p. 2.

[2] CWA Petition for Reconsideration at pp. 2-3.

The CWA Petition provides no basis for the Commission not to maintain its reliance on the Settlement Order[3] and Assurance of Discontinuance (AOD)[4]. The Restructuring Approval Order clearly explains the Commission's fundamental reliance on extensive Minnesota specific protections in the Settlement Order as the primary basis for rejecting other conditions in connection with its approval of the Frontier Restructuring:

> Whatever the merits of such [most favored state] provisions in general, Frontier's 2020 service quality settlement has already established in detail the standards Frontier must meet, and the remedies for noncompliance. … And it preserves the authority of the Commission, the Department, and the Office of the Attorney General to investigate service-related topics.

The Commission's reliance on the ongoing authority of the Commission, Department, and OAG is fully supported by the Settlement Order. The Settlement Order expressly preserves the authority of the Commission and Department to conduct additional investigations relating to telephone service quality, in addition to the numerous specific provisions for direct involvement of the Department and Commission in supervision of service quality standards.

The Settlement Order provides in part:

> The Modified Settlement does not include matters that are subject to the authority of the Department or Commission but are not resolved in the January 22, 2020 Order. The Parties further agree that nothing in this Modified Settlement or the January 22, 2020 Order shall preclude the Department from conducting any investigation and providing any comments to the Commission, or preclude the Commission from taking action, in relation to any matters, raised by any individual customers or any other issues that were not analyzed in the Department Report or the subject of a Department recommendation in the report.

The Settlement Order also contains extensive and detailed protections for Minnesota customers, as the Restructuring Approval Order notes:

> Among other things, the [Settlement Order] establishes a plan for improving ten measures of service quality, and for reporting on twenty service topics. It identifies 16 measures of service quality and a process to secure monetary remedies for past service quality lapses, and also provides remedies for future service quality lapses.[5]

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[3] In the Matter of a Commission Inquiry into the Service Quality, Customer Service, and Billing Practices of Frontier Communications, Docket No. P407, 405/CI-18-122, Order Approving Settlement as Modified (Jan. 22, 2020)

[4] The Assurance of Discontinuance between the Office of the Minnesota Attorney General ("OAG") and Frontier (the "AOD").

[5] Frontier Answer at p. 2-3.

The Commission also rejected claims for other conditions:

> [T]o the extent that Frontier affirms its obligations to the Settlement Order, the Commission finds that the interests of Minnesota customers will be well protected. Accordingly, the Commission will decline to impose additional conditions on Frontier's restructuring, …

The Restructuring Approval Order also recognized the added protections and investment included in the AOD:

> Moreover, the Office of the Attorney General has supplemented [the Settlement Order] with an additional agreement [the AOD] addressing broadband matters. Given this unique context, it is unclear what additional benefits a "most favored state" requirement could provide to Minnesota customers.

The CWA Petition does not even acknowledge the AOD, much less consider its effects.

Like the Settlement Order, there is no reason to doubt that Frontier will fully perform the AOD. The AOD provides: (1) a $10 million investment in broadband improvements (2) a stayed civil penalty of $10 million; (3) the OAG's right to seek specific performance or a motion to enforce; and (4) the possible use of Minn. Stat. Section 8.31.

No other state's actions, including a focus on investments rather than service standards in some other states, could be as carefully matched to circumstances in Minnesota, as the Restructuring Approval Order recognizes. The Restructuring Approval Order also appropriately recognizes that the Settlement Order alone provides ample protections for Minnesota customers.[6]

Frontier's Other Stated Reasons to Reject Reconsideration

That single factor justifies denial of the CWA Petition, but there are other reasons to deny the CWA Petition as well.

The CWA Petition is based solely on speculation that investments in other states will impair service in Minnesota. The CWA Petition focuses almost exclusively on investment commitments in other states and claims that the Commission should require more commitments to investment and Fiber to the Premises ("FTTP"). But the CWA Petition: (1) is based on superficial and speculative assumptions that Frontier will lack sufficient resources make investments in other larger Frontier states and provide quality service in Minnesota; and (2) incorrectly assumes that only FTTP will provide quality telephone service and enhanced broadband services. Accordingly, the CWA Petition provides no justification to reverse the rationale of the Restructuring Approval Order.

[6] Frontier Answer at p. 4-5.

The CWA Petition rests on the unsupported premise that investment requirements in other states will make it impossible for Frontier to make appropriate investments in Minnesota. The CWA Petition provides no support for that premise, which is refuted by facts.

A core benefit of the Frontier Restructuring is the elimination of over $10 billion of funded debt and $1 billion of annual interest obligations, which will increase Frontier's overall financial resources and ability to provide quality services. Even before Restructuring, Frontier invested approximately of $1.2 billion per year ($1.23 billion in 2019, $1.19 billion in 2018, and $1.15 billion in 2017). Frontier has also committed to continuing to complete its existing CAF II buildouts across its 25-state territory, including Minnesota, by the end of calendar year 2021, consistent with the FCC's requirements. These investment levels combined with the more than $10 billion decrease in funded debt and $1 billion decrease in annual interest obligations refute the CWA Petition's speculation that Frontier's investment obligations in California, Connecticut, and West Virginia may impede service quality in Minnesota.

Even more importantly, there is also no reason to believe that any of the protections of the Settlement Order will be impaired by investments or actions in other states. As the Restructuring Approval Order notes, the Settlement Order has "established in detail the standards Frontier must meet and the remedies for non-compliance" and "preserves the authority of the Commission, the Department, and the [OAG] to investigate service-related topics." In other words, if Frontier were to fail to invest in Minnesota (which it will not) and the quality of its service deteriorated, the Settlement Order provides the Commission with substantial authority to investigate and address these issues. Similarly, there is no reason to believe that the AOD (backed by extensive enforcement mechanisms) will be impaired by investments in other states. Again, as noted above, as part of the AOD, Frontier has made a significant minimum investment commitment of $10 million to enhance broadband services in Minnesota. As a result, there is no basis to doubt the foundation of the Restructuring Approval Order, or to make any modifications to it.[7]

The CWA Petition incorrectly claims that Frontier will make no additional investments in Minnesota. The CWA Petition claims that: "It is now readily apparent that Frontier has no plans to increase the level of investment in Minnesota and certainly not its investment in fiber to the premises. The CWA Petition's speculation and mistaken conclusion are refuted by facts.

The CWA Petition fails to reflect the fact that Frontier is currently implementing a significant FTTP project in Minnesota.

The CWA Petition also rests on a mischaracterization of the December 15, 2020 Frontier Quarterly Investor Update ("Investor Update"). The CWA Petition cites investment plans for Frontier's eight largest states and two other states (of the 25 states Frontier operates in) and again incorrectly speculates that Minnesota or the other states may not be candidates for

[7] Frontier Answer at pp. 5-7.

additional fiber investment. To the contrary, the same discussion in the Investor Update cited by the CWA Petition states:

> Frontier constantly evaluates the composition of the state groupings. IN and PA are two additional states among many currently being evaluated."

More importantly as it relates to Minnesota, as explained above, Frontier has targeted and is currently deploying FTTP in Minnesota today.[8]

Different Service Areas in Other States

The CWA petition also rests on comparisons of Frontier's operations in Minnesota to Frontier's operations California, Connecticut, and West Virginia. Such comparisons are misleading because of: (1) the major differences between Frontier's operations in those states and Minnesota; and (2) the fact that the Settlement Order (and AOD) reflect the resolution of extensive service quality investigations in Minnesota that occurred before the Frontier Restructuring, while the terms in California and West Virginia reflect service quality concerns were resolved in those states as part of the Frontier Restructuring.

Frontier now operates the former Regional Bell Operating Companies in Connecticut and West Virginia and serves over 90% of the areas of both states. In California, which is by far the largest state in the country by population and the third largest state by geographic area, Frontier is the second largest incumbent local exchange carrier, only behind AT&T. Frontier's California service area encompasses more than 3.7 million households and spans the entire length and width of the state and includes very urban markets in the Los Angeles area. As a result, Frontier's operations in Connecticut, West Virginia and California are substantially different and more extensive than in Minnesota.

The CWA Petition also ignores both: (1) the fact that the Settlement Order and AOD resolved service quality concerns before the Frontier Restructuring, while service quality concerns were are being resolved as part of the Frontier Restructuring in California and West Virginia; and (2) fundamental differences between Minnesota and those states. As a result, there is no basis to rely on the speculation that is the foundation of the CWA Petition.[9]

How Conditions or a Most Favored State Provision Would Apply Going Forward

If the Commission did accept the CWA Petition and seek to add new conditions to the Restructuring Approval, the Commission would need to schedule proceedings to determine: (a) how terms from any other state compare to the Settlement Order and AOD; (b) whether the terms from those states are based on state-specific facts and regulatory requirements that are applicable or appropriate for Minnesota; and (c) whether those terms either should or could legally be required in Minnesota.

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[8] Frontier Answer at pp. 7-8.

[9] Frontier Answer at pp. 8-9.

These proceedings would, at a minimum, require Comments, Reply Comments, a hearing before the Commission, followed by an order of the Commission. Requests for Reconsideration would also be likely. Resolving these questions would be likely to take a minimum of 3 or more months. Delay in Frontier's emergence from Chapter 11 (at least for Frontier's Minnesota entities) would become very likely to the significant disadvantage to Minnesota customers and potentially impact the applicable Frontier entities' ability to fulfill their obligations under the Settlement Order, the AOD and the initiated and ongoing project to deploy FTTP in Minnesota.

These disadvantages are completely unnecessary considering the retained authority of the Commission, the Department, and the OAG to investigate any future service issues under the Settlement Agreement. The Restructuring Approval Order correctly rejected these consequences and the Commission should similarly reject the CWA Petition.[10]

Department of Commerce

After reviewing the petition, the Department concludes that the CWA petition for reconsideration meets both prongs of the "new" and "relevant" evidence basis for reconsideration.

Settlements or Stipulations in other States

First, CWA provided new information that was not available during the September 24 meeting, including:

> [1] Since September 24, Frontier has made commitments to invest over two billion dollars in at least three other states . . . .
>
> [2] The Company [agreed] to expand its fiber to the premises ("FTTP") network to at least 100,000 additional locations in Connecticut within four years . . . .
>
> [3] Frontier, CWA, [and PSC staff] filed a joint stipulation that . . . classifies Frontier's operations in West Virginia as "InvestCo" Companies, requires Frontier to deploy Gigabit capable fiber to not fewer than 150,000 locations in West Virginia by the end of 2027, and requires a minimum investment of $200 million in West Virginia . . . .
>
> [4] As part of the proposed [California] settlement, Frontier committed to spend at least $1.75 billion over the next four years on service quality and network enhancement projects, as well as provide a detailed plan with input from CWA, TURN and Cal Advocates that identifies needs like plant repair, maintenance, hiring, and how Frontier intends to address them.

[10] Frontier Answer at pp. 9-10.

> [5] In an investor presentation, Frontier discussed its fiber investment plans as follows: "~2.6M of the ~2.9M targeted new fiber home passing in the Modernization Plan are aimed at increasing fiber density in 'CTFC' (CA, TX, FL, and CT), and 'WINO' (WV, IL, NY, and OH). On that same page, it mentions only two other states as possible candidates for additional fiber investment: Indiana and Pennsylvania. It is now readily apparent that Frontier has no plans to increase the level of investment in Minnesota . . . .[11]

Resource Diversion

The new information is relevant because it has a "bearing on or connection" to the Commission's original decision. At the September meeting, the Commission expressed concern about possible divestment or underinvestment in Frontier's Minnesota system. The information provided by CWA regarding Frontier's monetary commitment in other states—apparently in excess of $2 billion—is connected to this concern because it suggests that the Company may divert resources away from Minnesota to meet its obligations or prioritize other states at the expense of Minnesota.

The information provided in the CWA petition also is connected to another area of Commission concern: Frontier's "virtual separation" planning. During the hearing, Frontier suggested that the "exercise . . . is still ongoing and is not expected to be completed until Frontier emerges from Chapter 11." CWA's petition demonstrates, however, that this "exercise" is not an academic or hypothetical activity. Rather, the Company already is making decisions about its future operations, commitments in other states, and representations to its shareholders. Waiting until after Frontier exits bankruptcy to ascertain the Company's post-bankruptcy virtual separation plans risks a final decision being made regarding Minnesota without adequate Commission scrutiny.

The Department concludes that this evidence is both new and relevant to the Commission's original decision. As a result, the Department finds that the CWA has met the requirements for reconsideration and recommends that the Commission take up CWA's petition to consider these recent developments.[12]

Resource diversion will likely exacerbate Frontier's network inadequacies. The Department generally shares the CWA's concerns about Frontier's ability to provide adequate service if Minnesota is designated as an "ImproveCo" state, or Frontier otherwise diverts resources to other service areas. Frontier's performance already is inadequate in certain portions of its Minnesota service area. Frontier operates a total of 162 telephone exchanges in Minnesota. Nine rural telephone exchanges (shown in Table 1 on page 5 of the DOC's January 7, 2021 Answer) account for 25 percent of all telephone service outages not resolved within 24 hours.

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[11] Department of Commerce Answer at pp. 2-3.

[12] Department of Commerce Answer at pp. 3-4.

The DOC believes the failing portrayed in the Table are likely the product of several factors including outage frequency, outage severity, and response times.[13]

Network Performance

Additionally, the DOC's analysis of Frontier's reported out of service events (shown in Table 2 on page 6 of the DOC's January 7, 2021 Answer) is consistent with the view that inadequate plant investments are leading cause of Frontier's poor network performance. Frontier's activities have caused at least 58 percent of service outages in Minnesota. Based on the DOC's review of Frontier's performance, the DOC believes that the deterioration of Frontier's network is a significant concern that could be exacerbated by its commitments to other states and virtual separation decision making.[14]

Finally, the DOC recommends that the Commission take up CWA's reconsideration petition to discuss the issues raised in it. While CWA's "significant additional investments" recommendation may ultimately be appropriate, Frontier's expertise, analysis, and cooperation is required to determine the capital investment levels needed to resolve existing service quality deficiencies. The Department doubts that the needed capital investment will occur in the absence of a Commission requirement. Further, any new Minnesota investment should reflect an incremental increase from existing plans and should not be diverted from other areas in Minnesota. Accordingly, the Department recommends that Frontier be required to address questions related to past and future investment, investment plans related directly to addressing existing service outages, and virtual separation either in this docket or a separate proceeding. Please see pages 7 and 8 of the DOC's January 7, 2021 Answer to the CWA's Petition for Reconsideration for the specific recommendations.[15]

IV. Staff Analysis

The table below provides the list of Frontier states. The other four columns of the table are: 1) has the state provided a "most favored state" provision in its order, 2) If Frontier was successful in the Rural Digital Opportunity Fund (RDOF) auction in the state, this column provides the amount of the award by state, 3) This column provides the amount of any state Commission mandated network investment that will take place in a state in the next several years, and 4) Finally, column four provides the number of years mandated spending will occur.

[13] Department of Commerce Answer at pp. 4-5.

[14] Department of Commerce Answer at p. 5.

[15] Department of Commerce Answer at pp. 7-8.

Table Frontier Network Investment Amounts and Most Favored State Status

State	Most Favored State Provision Included in Commission Order	RDOF Amount (If Applicable)	Investment Amount Mandated by State Commission Order	Term of Frontier Investment Commitment Mandated by State Commission Order
Alabama				
Arizona	No		$0	N/A
California[16]		$ 33,379,752.20		
Connecticut[17]	No	$ 320,106.00		Four years
Florida		$ 492,732.00		
Georgia			$0	N/A
Iowa				
Illinois	No	$ 10,139,606.70	$0	N/A
Indiana				
Michigan				
Minnesota	No		$0	N/A
Mississippi	No		$0	N/A
North Carolina				
Nebraska	No		$0	N/A
New Mexico				
Nevada	No		$0	N/A
New York	No	$ 37,291,314.60	$ 9,000,000	Three years
Ohio				
Pennsylvania	No	$ 40,977,864.00	$50,000,000	Four Years
South Carolina	No		$0	N/A
Tennessee				
Texas	No	$ 673,062.00	$0	N/A
Utah	No		$0	N/A
Wisconsin				
West Virginia	No	$ 47,626,395.30	$200,000,000[18]	Three years

[16] As part of a proposed Settlement Agreement filed in California's Frontier reorganization docket, Frontier will spend at least $1.75 billion in capital expenditures over calendar years 2021-2024 and will agree to certain minimum milestone expenditure amounts over the four-year period, along with the preparation of annual budgets and tracking and reporting expenditures. At least $222 million of the committed capital expenditures will be targeted for service quality and network enhancement projects to meet California service quality standards and improve service quality, network redundancy, and reliability for existing facilities.

[17] In its February 3, 2021 Decision, the Connecticut Public Utilities Regulatory Authority conditioned approval of Frontier's petition not on an absolute dollar amount, but a requirement to expand its FTTP network to at least 100,000 additional locations in Connecticut within the four-year period ending December 31, 2024.

[18] The expenditure of a minimum of $200 million in total capital expenditures over a three-year period ending on December 31, 2023, with a minimum expenditure of $50 million annually.

First, the table provides further context to the reconsideration petitions and answers. Some states are referenced as the grounds for a reconsideration, but many other states where Frontier serves were not mentioned.

From the table, it can be gleaned that generally states where Frontier will receive Rural Digital Opportunity Funds (RDOF) are all states that have greater investment commitments. For example, the states of California, Texas, Florida, and Connecticut are all states where Frontier was awarded RDOF funds, and states where Frontier has significantly more customers than they do in Minnesota.

Other states such as West Virginia, Illinois, New York, and Ohio, also received investment commitments for increased fiber to the premise (FTTP). Three of these four states all were awarded RDOF grants. The only exception is Ohio. However, in all these states Frontier has a greater presence than they do in Minnesota.

Most Favored State Provisions

Staff performed a survey in all the Frontier states. Of the 13 state Commissions that have issued orders approving Frontier's reorganization to date, none of those state's orders include a "most favored state" provision.[19] In the course of this survey, Staff discovered that all 13 approved Frontier's reorganization without including a MFS condition or any reference that such a condition was even under consideration. [20]

In the Commission's December 7, 2020 Order, the Commission determined the following regarding a most favored state provision:

> That said, the Commission is not persuaded that this docket justifies requiring Frontier to grant Minnesota "most favored state" status. Whatever the merits of such provisions in general, Frontier's 2020 service quality settlement has already established in detail the standards Frontier must meet, and the remedies for noncompliance. Among other things, the settlement establishes a plan for improving ten measures of service quality, and for reporting on twenty service topics. It identifies 16 measures of service quality and a process to secure monetary remedies for past service quality lapses, and also provides remedies for future service quality lapses. And it preserves the authority of the Commission, the Department, and the Office of the Attorney General to investigate service-related topics. Moreover, the Office of the Attorney General has supplemented this settlement with an additional agreement addressing broadband matters. Given this unique context, it is unclear what additional benefits a "most favored state" requirement could provide to Minnesota customers.

[19] In the table above, the second column with a "no" entry indicates that the given state Commission's order does not include a "most favored state" provision.

[20] The states of Alabama, Florida, Iowa, Indiana, Michigan, North Carolina, New Mexico, Ohio, Tennessee, and Wisconsin Commission approval was not required either by rule or statute. In Ohio, the transaction was automatically deemed approved by the state once Frontier received the FCC approval.

This analysis and determination by the Commission in its Order did not become less relevant as more states approved Frontier's petition.

Finally, it appears (although staff has not confirmed) that most of the states cited in the petition and answers were in the nature of settlements and stipulations. Frontier is already subject to a settlement approved by the Commission and a settlement with the OAG. To the extent the other state decisions are persuasive, staff presumes the Commission is open to being presented with another settlement or stipulation for consideration, but none has been filed. If what is being suggested is that the Commission unilaterally impose a broadband investment requirement on Frontier as a condition of approval in this docket, that matter would require additional, likely prolonged proceedings to understand the authority to do so and the level and type of investment.

V. Decision Options

1. Should the Commission Reconsider Its December 7, 2020 Order in This Matter?

   A. Deny reconsideration.

   B. Grant reconsideration.

2. (*If reconsideration is granted)* Should the Commission impose conditions that require Frontier to make significant additional investments to improve the services received by consumers in Minnesota, including investments in fiber-to-the-premises services?

   A. Do not impose the requirement that require Frontier to make significant additional investments in its network.

   B. Impose the requirement that require Frontier to make significant additional investments in its network (*CWA*); and /or.

   C. Require Frontier to Provide network maintenance and plant modernization spending levels annually for 2015–2020. Provide planned network maintenance and plant modernization efforts over the next three years (2021–2023). Specifically, provide the investment amounts by year and a narrative describing how these dollars were or will maintain and enhance its voice networks. Explain whether plans for future investment will be affected as a result of the change of control (*Department*); and

   D. Provide an investment plan, including the network investment to fully address the chronic network outages in the exchanges identified in this answer. The plan should demonstrate the additional investment required, without diverting investment from other areas in Minnesota (*Department*).

Staff Note: The remaining five recommendations advanced by the Department of Commerce are all related the concept of virtual separation and are not listed here. At the Commission's September 24, 2020 Agenda Meeting, the Commission made a verbal commitment that it would open a separate investigation related to virtual separation at the conclusion of the Frontier reorganization docket. Staff will open that investigation docket following a decision here. Please see Commission's September 24, 2020 Meeting at 2:51:00 to 2:52:45.