



Response for
Town of New Marlborough



November 7, 2016

Procurement Officer and Submittal address:

Mari Enoch
New Marlborough Town Hall
807 Mill River-Southfield Road
Mill River, MA 01244

Re: High Bandwidth Internet Network Procurement

Dear Ms. Enoch,

On behalf of Frontier Communications, thank you for giving us the opportunity to propose Frontier's solution for Town of New Marlborough for **High Bandwidth Internet Services**. Frontier commits to being the conscientious and dedicated partner that can deliver the solutions and changes Town of New Marlborough requires going forward, ensuring you a secure and profitable future.

With Frontier, you can consolidate your communications with one provider, giving you advantages such as:

- **One Company** for any issues impacting your network services. This will prevent Town of New Marlborough from having to deal with multiple vendors for upgrading or troubleshooting.
- **Direct Access** to dedicated account management, engineering, and billing resources. This means dealing with people who know Customer, your network, and you.
- **Leading Edge, Reliable Services** backed by Frontier technicians and around-the-clock network monitoring.

The reliability and security of Town of New Marlborough's network is Frontier's first priority. Your account team includes experienced engineers and technicians, and we are available to serve you before, during and after installation. Should you have any questions or would like additional information, please do not hesitate to contact me.

Sincerely,



Kevin Smith
Vice President, Community Engagement
137 Harrison Street
Gloversville, NY 12078-4815
Office: (518) 773-3737
Email: Kevin.R.Smith@ftr.com

Frontier Response for
Town of New Marlborough
High Bandwidth Internet Network Procurement

Section A: Minimum Qualification Requirements

5.1 Business history and experience. The proposing Vendor must demonstrate a business history of at least 10 years in the telecommunications arena and also disclose how long it has provided FTTP services. A brief history of the firm must be provided noting its evolution of telecommunication services and in particular fiber-based services. Further, a concise statement of its current business strategy must be provided. Include history of completing projects to provide internet service similar to that required here.

Frontier Response:

Frontier Communications Corporation provides regulated and unregulated voice, data, and video services to residential, business, and wholesale customers in the United States. The company offers residential services, such as fiber-to-the-home and fiber-to-the-node broadband, as well as traditional copper-based broadband products; and commercial services, including Ethernet, dedicated Internet, multiprotocol label switching, time division multiplexing, data transport services, and optical transport services. It also provides Frontier Secure suite of products for computer security, cloud backup and sharing, identity protection, equipment insurance, and technical support; unified messaging services comprising call forwarding, conference calling, caller identification, voicemail, and call waiting services; long distance network services; and packages of communications services. In addition, the company offers switched access services that facilitate other carriers to use the company's facilities to originate and terminate their local and long distance voice traffic; satellite TV video services; and a range of third-party communications equipment to small, medium, and enterprise business customers.

Frontier Communications Corporation began in 1935 as Citizens Utilities Company, an entity formed from several small providers of diversified utility services. In 1992, a representative year, 2,300 employees provided telephone, electric power, natural gas, water and wastewater treatment to approximately 800,000 customers in 13 states. As the company became increasingly invested in telecommunications, in the 1990s it began to divest its utility operations to focus on communications. Following a series of transformative acquisitions, as of June 30, 2016, the company – renamed Frontier Communications in 2008 – had approximately 30,000 employees serving 5.2 million residential customers, 528,000 business customers, 4.5 million broadband subscribers and 1.6 million video subscribers in 29 states. Included in Frontier's customer count are approximately 1.2 million FTTP customers, including customers in the state of Connecticut. In 2010, through an acquisition of certain Verizon markets, Frontier gained significant experience in operating FTTP markets in Oregon, Washington, Indiana and South Carolina. Since that time the company has expanded its FTTP presence in certain markets, most recently in Florida, Texas and California.

Frontier Communications is a Fortune 500, S&P 500 Index Company focused on increasing broadband availability and services, enhancing video capabilities, and improving products and services for residential, business and commercial customers.

5.2 Size and financial resources. The Town will only contract with a Vendor of substantial size and financial resources, especially as the Vendor will be expected to finance the full capital cost of make-ready, design and commissioning and provisioning of the network.

- The proposing Vendor must provide three years of audited financial statements prepared on a GAAP basis showing annual revenues (that is, gross revenue less any pass through revenue) of at least \$75.0 million
- Further, the proposing Vendor must offer credible evidence of its ability to finance the project.

If the proposing Vendor is a privately-held corporation, it may enclose its audited financial statements in a sealed envelope marked "Proprietary and Confidential." The Town will hold confidential records submitted in such an envelope so marked until completion of evaluations and as otherwise permitted by law.

Frontier Response:

Frontier has included the following auditor statement, along with our consolidated balance sheet and income statement.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders

Frontier Communications Corporation:

We have audited the accompanying consolidated balance sheets of Frontier Communications Corporation and subsidiaries as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income (loss), equity and cash flows for each of the years in the three-year period ended December 31, 2015. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Frontier Communications Corporation and subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2015, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Frontier Communications Corporation and subsidiaries internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 25, 2016 expressed an unqualified opinion on the effectiveness of the Company’s internal control over financial reporting.

/s/ KPMG LLP

Stamford, Connecticut
February 25, 2016

In a continuing effort to “go green”, a full year income statement and consolidated balance sheet, as of the end of calendar year 2015, have been included as a reference to Frontier’s financial health. Frontier publishes its financial information at the following website: <http://investor.frontier.com>

Frontier Communications Corporation Consolidated Financial Data

(\$ in millions and shares in thousands, except per share)

	For the quarter ended			For the year ended	
	December 31, 2015	September 30, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Statement of Operations Data					
Revenue	\$ 1,413	\$ 1,424	\$ 1,330	\$ 5,576	\$ 4,772
Operating expenses:					
Network access expenses	165	159	144	640	465
Network related expenses ⁽¹⁾	318	331	320	1,287	1,118
Selling, general and administrative expenses ⁽¹⁾	343	344	300	1,348	1,088
Depreciation and amortization	319	325	323	1,320	1,139
Acquisition and integration costs ⁽²⁾	86	58	70	236	142
Total operating expenses	1,231	1,217	1,157	4,831	3,952
Operating income	182	207	173	745	820
Investment and other income, net	4	1	13	7	39
Interest expense	362	246	188	1,113	696
Income (loss) before income taxes	(176)	(38)	(2)	(361)	163
Income tax expense (benefit)	(73)	(24)	(16)	(165)	30
Net income (loss) ⁽³⁾	(103)	(14)	14	(196)	133
Less: Dividends on preferred stock	53	67	-	120	-
Net income (loss) attributable to Frontier common shareholders	\$ (156)	\$ (81)	\$ 14	\$ (316)	\$ 133
Weighted average shares outstanding - basic	1,161,148	1,161,207	994,541	1,084,606	994,418
Basic net income (loss) per common share ⁽³⁾	\$ (0.14)	\$ (0.07)	\$ 0.01	\$ (0.29)	\$ 0.13
Non-GAAP adjusted basic net income per common share ⁽³⁾⁽⁴⁾	\$ 0.05	\$ 0.03	\$ 0.04	\$ 0.13	\$ 0.18
Other Financial Data					
Capital expenditures - Operations	\$ 185	\$ 177	\$ 159	\$ 710	\$ 572
Capital expenditures - Integration activities	52	63	34	153	116
Operating cash flow, as adjusted ⁽⁴⁾	600	588	569	2,313	2,085
Free cash flow, as adjusted ⁽⁴⁾	243	229	193	869	793
Free cash flow ⁽⁴⁾	12	151	193	560	793
Dividends paid - Common Stock	123	122	100	456	401
Dividends paid - Preferred Stock	53	67	-	120	-
Dividend payout ratio ⁽⁵⁾	1146%	81%	52%	82%	51%
Dividend payout ratio, as adjusted ⁽⁶⁾	43%	46%	52%	49%	51%

Frontier Communications Corporation
Condensed Consolidated Balance Sheet Data

(\$ in millions)

	December 31, 2015	December 31, 2014
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 936	\$ 682
Accounts receivable, net	571	614
Restricted cash	8,444	-
Other current assets	180	119
Total current assets	10,131	1,415
Property, plant and equipment, net	8,493	8,566
Other assets - principally goodwill	8,460	8,829
Total assets	<u>\$ 27,084</u>	<u>\$ 18,810</u>
<u>LIABILITIES AND EQUITY</u>		
Current liabilities:		
Long-term debt due within one year	\$ 384	\$ 298
Accounts payable and other current liabilities	1,509	1,214
Total current liabilities	1,893	1,512
Deferred income taxes and other liabilities	4,069	4,247
Long-term debt	15,508	9,393
Equity	5,614	3,658
Total liabilities and equity	<u>\$ 27,084</u>	<u>\$ 18,810</u>

5.3 The proposing Vendor must submit a letter from a surety company licensed in Massachusetts to issue surety bonds confirming that the proposing Vendor has an existing line of surety bonding credit sufficient to support surety bonds required for this procurement, as described in Section 8.3.12 below.

Frontier Response:

Please see Exhibit F to this RFP Response for the surety letter.

5.4 Minimum existing customer base for requested services

The proposing Vendor will provide evidence of currently providing high-bandwidth FTTP internet services at least equal to the 50 Mbps standard of Section 3.3 to at least 10,000 customers. As information, does the Vendor currently provide FTTP services in this region?

Frontier Response:

Frontier Communications is a leader in providing communications services to urban, suburban and rural communities in 29 states. We serve a diverse portfolio of customer segments – residential, business and wholesale – in urban, suburban and rural markets.

Regardless of size and location, what all of our markets have in common is Frontier – a premier communications provider with a robust network, quality service and product offerings that optimize the customer experience.

Frontier serves over 1.2 million fiber to the premises subscribers nationwide. Within the neighboring state of Connecticut, Frontier has over 3,600 households that currently can receive broadband services meeting and exceeding the stated minimum requirements for a FTTH/Gigabit Passive Optical Network (GPON) buildout. Frontier currently has ongoing construction projects to reach approximately 7,000 additional Connecticut household, and engineering is underway to reach 20,000 more Connecticut households.

Section B: Comparative Criteria

5.5.1 Comprehensive and explicit plan describing the proposed technologies and the design of network including speeds, path and routing redundancy and whether there would be automated failover between diverse paths in an outage, network topology and configurations, all at a level of detail sufficient to demonstrate how the design of the network will address the issues identified in this section. Among other things, the proposing Vendor must demonstrate how its proposed technology solution will deliver the promised speeds in the service area once operational, and how capacity will be aggregated in the network design. The technology plan must set an expected “up-time” standard along with evidence of how this standard is met in other areas of the proposing Vendor’s operations. The proposing Vendor must describe design elements providing for network security and security of customer traffic on the system. Evidence that the design and equipment are modern and current shall be provided, including any third party reference documentation. Although a specific design for New Marlborough would not have been done at this stage, Vendor must at least provide a schematic diagram of its usual network design for this type of project, showing paths for internet, phone, video and the Network Operations Center.

Frontier Response:

Frontier Communications will build a Fiber to the Home (FTTH) network. This network is a Gigabit Passive Optical Network (G-PON) that uses optical fiber directly to the residential customer. The devices near the customer are passive, i.e., there are no powered devices in the distribution network.

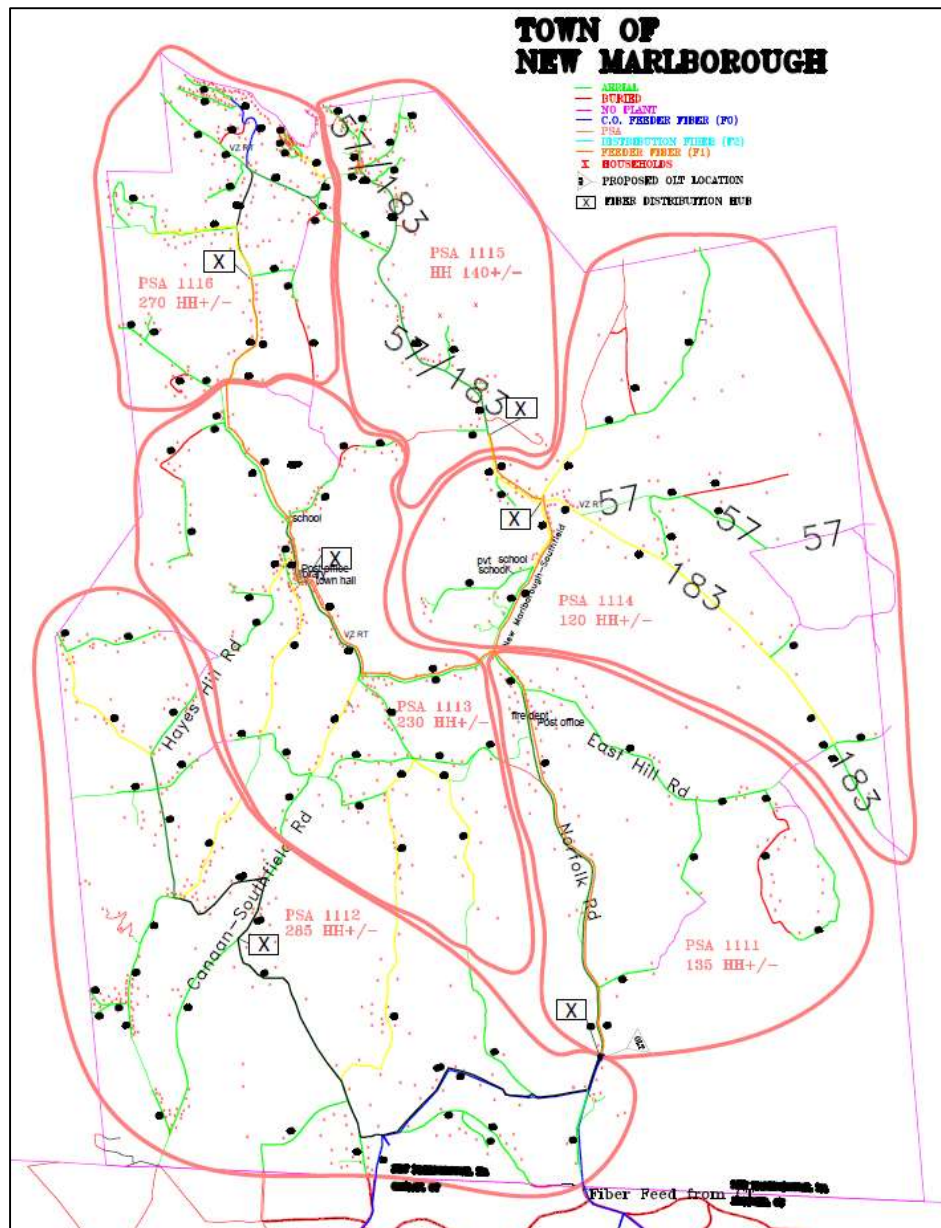
In order to provide High-Speed Internet (HSI), VOIP, and Video, this proposed build will use the existing CT network infrastructure to access Frontier-owned and managed network elements. The backbone of the network that leaves CT will traverse diverse routes from the Canaan Central Office and the Norfolk Central Office. These diverse fiber runs will meet at an Optical Line Terminal (OLT) proposed for placement within the New Marlborough town borders, along Norfolk Rd. preferably near Canaan Valley Rd. Automated failover will occur if failure arises along one of these two routes. Please note, similar to our existing exchange-fed network, the customers fed out of the OLT are single-threaded (no diverse path). In this case, our normal outage response procedure would be implemented if ever needed.

The OLT will have the capacity to provide up to 8,192 customers with speeds up to 1 Gbps. The uplinks to the two Connecticut-located central offices will support these speeds and will be designed with the additional fiber to Link Aggregate (LAG) and provide additional uplink capacity if ever needed.

Frontier’s network in New Marlborough will be designed based on PON Serving Areas (PSA). A PSA will have multiple PON ports allocated, but a single PON port will feed no more than 32 customers. This architecture design will inherently prevent congestion and oversubscription, and therefore minimize concerns of bandwidth-hogging by heavy-usage customers. In addition, our

Network Planning team monitors bandwidth utilization of all Frontier GPON devices so that augments are initiated prior to the realization of any congestion on our network.

New Marlborough will be divided into six PSAs. A pole-mounted Fiber Distribution Hub (FDH) will mark the beginning of each PSA. Each New Marlborough PSA will include between 144 and 288 households. This architecture allows easy and efficient administration of the network. A map depicting one potential division of PSAs is included below.



5.5.2 Vendor must state the bandwidth speed it will implement in New Marlborough and state what the minimum bandwidth availability will be to any one customer during heavy usage periods.

Frontier Response:

Frontier will build a FTTH network that provides the same customer service profiles as in Connecticut. Currently the maximum speed profile offered to FTTH customers in Connecticut is 1 Gbps download and 100 Mbps upload. Additional symmetrical service profiles of 30Mb, 50Mb and 100Mb are also available.

As described in the response Question 5.5.1, Frontier' Gigabit PON network is built where no more than 32 customers are assigned to a single PON port. As such, the "purchased" bandwidth defined in the service package purchased by the customer is provided and shared among the customer's own purchased services (internet access, VoIP or voice, and Video). Although none of our current Connecticut GPON FTTH customers have experienced less-than provisioned speeds for their combined services, Frontier's Network Planning team monitors all of our GPON network elements and implements network augments when total usage reaches 80%. Our CORE network is redundant and is managed to 40% usage thresholds to eliminate congestion if all traffic is forced to a single thread.

5.6 Provide a plan description of the make-ready, design and implementation process linked to proposed commencement, timeline and milestones, specific actions to accelerate the process and plan for start-up of system. Clearly articulate the program management for the entire project and past experience and knowledge in dealing with unknowns, project contingencies, and stakeholders such as utilities, public officials and regulators, property owners, MBI and the Town;

Frontier Response:

As a Third Party Attacher to the poles in New Marlborough, Frontier will provide an application to attach to poles as needed with both National Grid and Verizon to place its facilities throughout the town. It is Frontier's opinion that overall Make Ready work will be limited based on the existing pole line generally having minimal attachments. In addition, Frontier is prepared to offer to place its own guying and anchors to accelerate the process and timeline.

Upon release of the attachment license, Frontier will commence with the placement of fiber feeder cables from both our Canaan and Norfolk, CT offices to the proposed centrally located Optical Line Terminal (OLT) cabinet. The OLT will be designed with a diverse path for reliability and will be pad mounted on an easement area safely away from potential hazards. Where feasible, Frontier will also consider the use of available MBI fiber for any of the feeder requirements.

Following placement of the OLT, fiber will be placed from the OLT location to each of approximately six serving areas equipped with a Fiber Distribution Hubs (FDH). Each FDH will provide service to between 144 - 288 homes. All FDH cabinets will be fully equipped with 32:1 fiber splitters at the onset.

Lastly, Frontier will place new strand, fiber distribution cable and terminals to serve from 1 to 24 homes from each terminal. Frontier will also plan for future growth by adding fiber slack coils strategically throughout the network. It is Frontier's intent to build and enable one to two serving areas at a time until all areas are completed and ready for service. It is anticipated that most serving areas will come on-line in the second year of construction with the first year of construction focused on placement of feeder facilities and electronics.

Frontier has positioned itself to have all necessary materials either on hand or allocated with our suppliers for short lead time delivery. Necessary engineering and construction resources will be mobilized from our nearby Winsted, CT facility. To date, Frontier has been aggressively building a GPON network in numerous Connecticut municipalities. At this time over 10,000 households in those communities are able to receive GPON FTTH service or have construction underway to serve them. Engineering work has been completed to over 20,000 additional Connecticut households which will be built out to in 2017. Frontier plans to build out to additional Connecticut households beyond these 30,000 in 2017.

5.6.1 The Town highly prefers completion of the network within a two-year period from contract commencement. To the extent network completion is delayed by *force majeure* (as defined in Article 13.1 of the Exhibit E Agreement) and the Vendor can demonstrate it is exercising diligence in its efforts, the completion period will be extended. The Town requires completion in no less than three years, subject to *force majeure*.

Frontier Response:

Frontier's construction plan will provide for subscriber connection availability to begin within 24 months of the contract date, and connection availability in place for minimum 96% of households in existence on the project start date within 36 months of the project start date.

5.6.2 The Town requires that the Vendor connect to all Participating Units on public roads in the Town. The Town highly prefers that the Vendor connect to all Participating Units located on private roads and driveways, but only to the extent such Units are currently connected to existing poles or space- available conduit. A Participating Unit includes each household or living unit and business that consents to a connection on its property, and is within the geographic boundaries of the Town. If the Vendor proposes less than this highly preferred requirement for private roads and driveways, it must state its linear connection allowance for reaching Participating Units on a private road or driveway. The linear connection allowance shall be treated as a Town-wide average. Accordingly, the collective Town-wide linear collection allowance would be the product of all premises on private roads and driveways multiplied by the Vendor-proposed allowance. (Please note: The collective allocation is to be based on total premises, rather than Participating Units, as wire likely will have to pass by a non-Participating Unit to reach a Participating Unit.)

The Vendor shall propose a plan for an allocation of a portion of the collective allowance to each premise in as fair a manner as possible, so as to minimize any additional connection cost for any one

premise. For example, if a private road is 1,200' long and contains three premises, based on an average allowance of 500', this road would have an unused overage of 300' which could then be used elsewhere.

For connections further than the linear connection allowance, Vendor shall propose a per foot unit price applicable to the overage.

Frontier Response:

Frontier commits to connect to all Participating Units, including those on private roads and driveways, to the extent such Units are currently connected to existing poles or space-available conduit with a linear connection allowance of up to 500 feet per Premise.

For private roads or driveways with existing poles or space-available conduit in excess of 500 feet, the following charges would apply:

- Accessible aerial path: \$1 per foot over 500 feet
- Inaccessible aerial path: \$1.50 per foot over 500 feet
- Underground conduit path: \$1 per foot over 500 feet

5.6.3 The Vendor will provide a plan, including equipment and cost to Participating Unit, if any, for initial installation of on-premises equipment.

Frontier Response:

Installation of services to be provided by Frontier will be scheduled with customers in advance via appointment agreed to between Frontier and the subscriber. Frontier will balance the installation load to ensure multiple new subscribers can be installed each day. Frontier strives to offer installation dates within five days of the customer placing an order. Installation dates will be Monday through Saturday, holidays excluded.

Included in a typical fiber-to-the-home (FTTH) installation are the following:

- Connection of the premises to the network via a fiber drop cable
- Installation of an Optical Network Terminal (ONT) at the customer premises which will receive the optical signal and convert it to an electrical signal for further distribution within the premises
- Installation of a Residential Gateway (RG) or Modem that will provide internet connectivity and a Wi-Fi signal. Specific RG or Modem models may differ based upon on the purchased services (e.g. voice/broadband/video triple play versus broadband only)
- Installation of additional customer premises equipment (CPE) determined by the specific video and/or internet service configuration ordered purchased:
 - a digital video recorder (DVR) which also serves as a wired-connection set-top box (STB)

- additional set-top boxes, as requested by the subscriber; wireless STBs will be Frontier preferred installation option
 - Wi-Fi range extenders or access points
- Required wiring to connect the ONT, the RG/Modem and wiring where needed to connect additional video CPE
- Full testing of all components installed
- Customer education on use of the services purchased and installed.

All equipment installed (with the exception of any backup battery equipment) will remain the property of Frontier. Each installation will be performed by qualified technicians. It is Frontier's intent to use Connecticut-based employee technicians to complete installations. This is dependent, however, on resolution of any labor or legal issues preventing use of these employees, and Frontier reserves the right to conduct installations with similarly-qualified contractors if needed.

Frontier will waive the current standard installation charge of \$149 per premises if the customer consents to Frontier connecting service within 90 days of the service becoming available.

Should service to specific premises require special premises wiring additional charges may apply. Please see Frontier's response to Section 5.6.2 regarding charges for private roads or driveways in excess of 500 feet.

Frontier may choose, from time to time, to waive the installation charge as part of promotional offerings.

Set-top boxes provided as part of Frontier's video service will be a charged monthly recurring fee per box.

5.6.4 The Proposing Vendor will detail its plan for lighting up fiber in reasonable increments as implementation proceeds. It is understood that the Vendor may only bill that portion of its price based on actual Participating Units lit; that is, it may bill a *pro rata* portion of its agreed price for the period based on Participating Units lit divided by the total number of premises to be connected.

Frontier Response:

Frontier will build this proposed network by PSA (see 5.5.1 for network architecture). This will amount to "lighting up" fiber availability to approximately 200 households per build phase. Using this architecture and build strategy, engineering and construction resources will be efficiently used to bring customers in-service in waves – associated with the PSA's ultimately identified for New Marlborough. A definition of individual PSAs, and the schedule for individual PSA deployment, will be created, shared, and implemented when appropriate.

5.6.5 Vendor should provide a plan addressing how new premises built at future dates after network completion will be connected and the applicable terms, conditions and costs that will apply;

and, who will be responsible for future costs. The lowest cost to consumer will be considered in the ranking below.

Frontier Response:

After the first ninety days of the service being available, Frontier will connect new premises where fiber already exists at our standard installation charge of \$149 per premises. For new premises located outside the fiber network, Frontier will work with the Town to determine the most efficient and economical way to reach these new premises.

Upon notice of new home construction, Frontier engineers will coordinate with the developer or home owner as needed to place any additional cable or terminals required to extend the network to serve those locations. For new developments or subdivisions it is the responsibility of the developer to provide the conduit path required to serve each of the new homes. In such cases, no additional charges would apply for placement of Frontier's cabling and terminal.

5.7 Comprehensive description of on-going plan for network maintenance and emergency response, including examples of experience elsewhere. The proposing Vendor should describe its existing operating and maintenance infrastructure (including service facility locations and how many trucks could be dispatched within x timeframe for a major outage), demonstrating reasonably its ability to service on an expeditious basis the New Marlborough geography. Vendor should also address policy and plans for as-needed renewal and future upgrades, such as frequency of replacement of core network equipment, or pro-active replacement of parts.

Frontier Response:

Previously in this RFP response Frontier has described the breadth and depth of our experience in designing, building, installing, maintaining and servicing telecommunications networks such as we propose to implement in New Marlborough. As Frontier will own the network, and provide the services utilized by customers over the network, we have an obvious vested interest in ensuring it operates at the designed performance levels continuously. Network maintenance begins with the on-going monitoring of the network, both through alarm monitoring and management, along with response to technician or customer-observed or experienced degradation in service quality.

Frontier is successful by providing stable network facilities and connectivity to its subscribers. This is accomplished by installing cable and equipment from top industry vendors. As owner of the network, Frontier is incented to ensure quality service to maintain and grow the revenue stream from subscribers. Frontier monitors network equipment remotely in an on-going, 24x7 basis for any alarms indicating actual or potential problems with equipment or cable. Should alarm conditions indicate that there is an immediate issue, one or more qualified technicians are dispatched to resolve the issue. Should alarm conditions over time rise to a level of potential component failure, Frontier will pro-actively dispatch one or more technicians with the assignment to replace devices or equipment generating such alarms. Often, such replacement is made with newer equipment which is designed to provide better service to both existing and new subscribers. As Frontier is incented to maintain the

network facilities and connectivity in the most cost-effective manner, pro-active and planned network component upgrades and replacements are always preferred to emergency repair or replacement.

Technicians responsible for maintenance and repairs will be dispatched out of work center locations in Connecticut. The nearest current work center location is in Winsted, within 45 minutes' drive time to the center of New Marlborough. As Frontier serves almost the entire state of Connecticut, we have ample resources available to respond to any New Marlborough-specific outages in a timely manner, as described in our response sections 5.1 – 5.4.

5.8.1 Comprehensive plan description of its business proposition for subscribers, including all offered subscription options and associated rates (cost). Vendor may offer subscriptions at internet band- width speeds that are less than the minimum required speed capability of the network.

Please address life-line services, E911 and emergency handling in outage situations.

Frontier Response:

Upon initiation of service to Participating Units in the Town, Frontier will establish definitive pricing for its service offerings beyond the base level service described in Section 5.12. The pricing will be similar to pricing that is offered to Frontier's FTTH customers in Connecticut. For way of example, the current pricing for Connecticut FTTH customers is attached as Exhibit G. This pricing is not reflective of the actual pricing that will be offered to New Marlborough customers.

In addition, New Marlborough customers will be entitled to a credit if they subscribe to HSI speeds higher than the base level service speed described in Section 5.12. The credit will reflect the current monthly payment amount per Participating Unit the Town is remitting to Frontier. The credit is for ungraded HSI only, and will not apply to TV or VOIP services.

The network Frontier will build in New Marlborough will be supported by automated battery back-up systems, and generator deployment, to maintain service availability in the event of a commercial power outage. Frontier will provide a backup battery for the ONT we will install at the customer premises. As such, should commercial power be lost the customer would have the ability make phone calls if they have purchased voice service from Frontier and either have commercial power available to their premises or otherwise has a power source for the residential gateway device and, if needed, their phone set.

Through standard call routing procedures for a VoIP voice network, Frontier will ensure the subscriber has the ability to call 911 whenever the network is operational, whether on commercial, battery or generator power. In addition, Frontier will meet all applicable obligations regarding E911 service. As Frontier does not intend to provide service as an Eligible Telecommunications Carrier (ETC) we will have no obligation, nor plans, to provide life-line services.

5.8.2 The Town considers it extremely desirable that the selected Vendor enter into a State-approved cable franchise agreement as relates to the video/TV package that is delivered via the fiber-

based internet. The Town expects a franchise fee payment to be made and credited, as earned, as an offset to Vendor's proposed price to Town for this procurement. Further, the Town highly prefers a revenue-sharing provision related to subscribed, higher level service options. This revenue-sharing would also be an offset, as earned, to Vendor's proposed price to Town.

Frontier Response:

Frontier agrees to submit a Cable Franchise application to the State and the Town after the successful negotiation of the Agreement for Broadband Network Services. The subsequently negotiated Cable Franchise Agreement will detail the franchise fee payment. The Agreement for Broadband Network Services will be effective upon satisfaction of the mutually agreed terms and conditions developed during negotiations and including but not limited to Frontier's receipt of approval of the Cable Franchise application, mutually agreeable pole attachment agreement etc.

5.9 The Town highly prefers that Vendor will handle all customer marketing effort both for initial sign-up and subsequently. Vendor should describe the customer service plan including subscriber billing, and customer service problem handling.

As the Town intends to assess a Town Municipal Lighting Plant administrative fee to each subscriber to cover the price paid by the Town to the Vendor, the Town highly prefers that the Vendor include the MLP fee as part of its subscriber billing process. The Town highly prefers that Vendor provide monthly a certified MLP fee billing report indicating number billed, amount, collected and overdue. The Town highly prefers that Vendor certify and provide a monthly or quarterly subscriber report and revenue-sharing report.

Frontier Response:

Frontier would handle all customer marketing effort both for initial sign-up and subsequent efforts. Currently, Frontier has a national marketing presence that is able to target localized markets. With over 11 million customers, Frontier has the capability to handle subscriber billing. To handle customer service questions or issues, Frontier has several 24 hour call centers located strategically across our national footprint, with a major call center located in New Haven, CT. All Frontier call centers are based in the United States.

Please see Exhibit H for specific marketing and billing information.

In addition to the notes, comments and suggestions indicated in Exhibit E (Re: Agreement for Broadband Network Services), Frontier also takes exception to any requirement that the Vendor collect the MLP fee. Please see Frontier's response to Section 5.18 regarding the MLP fee.

5.10 The proposing Vendor shall include a proposed **Service Level Agreement** ("SLA") governing all services and covering, among other things, "trouble ticket" and outage response times and customer credits for downtime exceeding a certain limit. The SLA should also address its plan

or protocols for customer service and problem resolution.

Frontier Response:

In the relatively rare or infrequent event that customers would be impacted by outages or service issues that originate in the Frontier network, Frontier always strives to restore service in as quick and effective a manner as possible. Typical measures of this type of performance are “Mean Time To Repair” (MTTR) and “Percent Out Of Service over 24 Hours” (OOS24). Frontier will measure our performance against these metrics, and those measurement results will be available to the Town. These metrics are based on customer-reported trouble reports. As such, Frontier will have the ability to determine when the time to report for an individual customer has exceeded levels we believe are reasonable.

In cases where extended MTTR or OOS24 performance occurs, Frontier will engage with customers through our business relationships and determine appropriate credits to be provided based on duration of an out-of-service condition. Frontier does not envision providing automatic, or self-effectuating, credits to residential customers who experience service outages. A process will be established by which customers who are impacted, for more than 24 hours, by an OOS condition that Frontier should reasonably have been able to foresee and avoid with due care in the normal course of business, can request pro-rata credit for their recurring monthly service costs. Should there be subscribers for whom this process for pro-rata credits is unsatisfactory, Frontier intends to offer business products and services delivered under a contract which would provide specific service-level agreements and the manner in which failure by Frontier to meet specified service levels would result in contractual credits. Such product offerings are generally purchased by businesses who have significant financial dependency on the services Frontier provides them.

5.11 Vendor should provide a copy of its proposed **Customer Terms and Conditions** governing its relationship with New Marlborough subscribers. The proposing Vendor must include a complete copy of the terms currently offered to subscribers to other fiber networks in New England and New York, including any stated limitations on price increases or data usage caps; identify any variations of those terms that the Vendor proposes to offer to subscribers in the Town; and explain the reasons for each such variation. It is highly preferred that Vendor not impose data caps or bandwidth speed degradation, or limits on internet-delivered services of their own or other parties, other than in cases of clear abuse.

Based on its internal data and technical design, the Customer Agreement should include the following statements: A) At any level of subscribed bandwidth, the customer is guaranteed at all times a bandwidth speed no less than [_____]%. of the published, rate card speed, *force majeure* situations only excepted; and B) Based on internal monitoring metrics for current, comparable customers, the average available bandwidth speed to any one Participating Unit between the hours of 7:00 a.m. and 11:00 p.m. is [_____]%.

Frontier Response:

Frontier's Customer Terms and Conditions can be found at this link:

<https://frontier.com/corporate/terms>.

These Customer Terms and Conditions are applicable to all of Frontier's customers throughout our nationwide footprint. These same Terms and Conditions would be applicable to New Marlborough customers, with some possible slight modifications to reflect the unique nature of the arrangement there.

Frontier does not impose data caps, or degrade bandwidth speed on various internet-delivered streams from other parties.

See also the Exhibit E to this RFP Response relating to the Broadband Network Services Agreement.

5.12 Proposing Vendor shall specify any value enhancements it may offer, such as revenue-sharing at higher subscription levels; a minimal fee or no fee basic internet service; free or discounted service to the existing Town institutions (Town Hall, the School, Library, Fire House and Department of Public Works).

Frontier Response:

Frontier proposes that all Participating units, upon consenting to allow Frontier to connect to their premises, will enjoy a no fee basic Internet service of 12Mb upload/1.5Mb download. This same offer would apply to existing Town institutions.

5.13 Proposing Vendor shall offer a plan providing a rate lock for the initial two years to Subscribers, and, during the remaining period that the Town is obligated to pay any part of the price to Vendor, it shall offer Subscribers cost protection by tying any increase to a published cost index such as CPI or other appropriate index that the Vendor may demonstrate as being more relevant to telecommunications firms' cost elements, including a reasonable return on investment.

Frontier Response:

Frontier proposes a rate lock for up to 15 years for the cost of the base service described in Section 5.12.

Customers who subscribe to higher speeds and TV or VOIP services will have the same opportunities that all Frontier customers have, which often include a two-year rate lock. Frontier cannot agree to rates associated with an index like CPI because, in the example of TV, the cost for content we are charged by providers is not within Frontier's control.

Since Frontier competes with other TV, Internet and telephone providers on a national level (and New Marlborough customers will have access to this same pricing structure), the Town can be assured that Frontier's pricing will be highly competitive.

5.14 The proposing Vendor must fund the entire capital investment cost. Capital investment shall not include any on-going operating or maintenance costs. Vendor shall state its estimated full capital investment cost. The proposing Vendor shall agree that its effective net investment (that is, the entire capital investment cost less the price to be paid by the Town) incurred in creation of the local network, be at minimum equal to the fixed lump sum price to be paid by the Town, which effectively is a co-investment of 50%.. After completion of the project, the Selected Vendor shall provide auditable, project cost data demonstrating its match. The Town will seriously question a cost to the Town that exceeds 50% of the MBI estimate of \$4.7 million for make-ready, design and implementation of the complete network.

Frontier Response:

Frontier will fund the entire capital investment cost of the network, with the Town's investment providing access to a Gig capable, fiber optic service to all premises in town. As such, Frontier proposes to negotiate the terms of 5.14.

5.15 The proposing Vendor must provide a plan for how and to what extent it will utilize the existing middle mile *MassBroadband 123* network to achieve cost savings and thereby to reduce its price proposal. If Vendor can demonstrate that it has researched the availability and cost of connecting to or leasing dark fiber of the existing middle mile *MassBroadband 123* network, and it has concluded no material savings will result, then it should so state and provide supporting information. Vendor should contact Axia as respects any connection or dark fiber negotiations with respect to the existing middle mile *MassBroadband 123* network.

Frontier Response:

Frontier's network design as provided in Response 5.5.1 indicates no significant costs savings are presented by use of the MassBroadband 123 existing middle-mile network. This is due to Frontier's ability to serve New Marlborough through connections to our Connecticut network in adjacent towns immediately to the south. Should the use of Mass Broadband 123 middle-mile network dark fiber to serve specific locations in New Marlborough become cost effective, Frontier will pursue entering into lease agreements for that fiber.

C. Other Proposal Content

5.16 Proposing Vendor must provide a signed certification by a Corporate Officer of the following representations and warranties:

Frontier Response:

A copy of such certificate is attached to Frontier's response to this RFP as Exhibit I.

5.16.1 That it is capable of providing a current technology network solution with all the financial, human and technical resources necessary to fulfill the Scope of Section 3.0 above. Further, Vendor agrees to deliver a competitive SLA, Section 5.10, as part of the network solution.

5.16.2 That it will agree to deliver the service within a specified period, subject to the force majeure proviso of Section 5.6.1, but in no case longer than three years.

5.16.3 That it will provide the services and subscriber options outlined in Sections 3.3, 3.4 and 5.11.

5.16.4 That it has submitted to the Massachusetts' Department of Telecommunications and Cable a Cable Franchise application with respect to the Town, co-incident with the date of its proposal submittal to New Marlborough.

5.16.5 That it is a duly organized corporation, validly existing and in good standing under the laws of the State of its incorporation and has the corporate power and authority to transact the business contemplated in the Proposal.

5.16.6 If not a Massachusetts corporation, that it is duly registered to do business in Massachusetts as a foreign corporation, and is in good standing as of the date of the contract commencement.

5.16.7 That the individual signing the proposal is fully-authorized by the proposing Corporation to do so.

5.16.8 That it is in compliance and shall continue to comply in all material respects with all material laws, rules regulations and orders applicable to its business and the proposed project, as of the date of the contract commencement.

5.17 Given the complexity of the services to be provided, the proposing Vendor shall be permitted to recommend a plan containing provisions it believes should be included in a governing

contract that may be unique or specific to the nature of the services to be provided. Any such Vendor-recommended provisions shall be subject to negotiation.

Frontier Response:

See Exhibit E to this RFP response which includes the Frontier response regarding the Broadband Network Agreement.

5.18 If the proposing Vendor takes exception to any portion of the requirements of this Proposal, Vendor shall concisely and clearly articulate its exception and its reasoning therefor. Vendor should consider that a material exception may lead to the Vendor being deemed non-responsive. A proposing Vendor, however, may suggest alternative approaches to those required here that in its judgement provides similar, equal to or greater value. Any alternative approach(s) will be subjected to the same comparative criteria herein.

Frontier Response:

In addition to the notes, comments and suggestions indicated in Exhibit E (Re: Agreement for Broadband Network Services), Frontier also takes exception to three Sections of the RFP: 5.9, 5.14, and 8.1.5; and the layout and relationship of the timing proposed in sections 8.1.2, 8.1.3, 8.1.4, 8.4.2.3 and 8.4.5.

5.9: Frontier takes exception certain elements of this section, specifically relating to any requirement that the Vendor collect the any MLP from subscribers. For units that receive a base level of Internet as described in Section 5.12, Frontier believes that it is critical to the success of the project that those units NOT receive a bill from Frontier. Additionally, having it would be overly cumbersome for the Vendor to collect the fee as opposed to the Town, which has the clear statutory authority and the political wherewithal to collect it. Finally, Frontier believes that having the Vendor collect the fee will create unnecessary confusion. Frontier believes it is in the best interests of the project to have the Town collect the fee, or absorb the costs of the project into the property tax base—giving tax payers tax relief. Frontier will not agree to collect the MLP fee.

5.14: Frontier takes exception to the requirements of this section relating to the Vendor providing project cost data related to the build out of the network. Specifically, since Frontier's proposal is a service model (i.e. Frontier is providing a service to the Town) as opposed to a construction model (where an someone is building an asset for the Town), there is no need for the Town to receive project cost data so long as Frontier is providing the service contracted for.

8.1.5: It is Frontier's understanding that the MBI's relationship will be with the Town and not with the Vendor. Thus it is the Town's responsibility to secure funding from MBI, not the Vendors.

8.1.2, 8.1.3, 8.1.4, 8.4.2.3 and 8.4.5: There seems to be some inconsistency in the timing requirements laid out in the RFP. For example, the parties must negotiate a contract within 30 days, but the Town may not have the legal authority to enter into a contact for an unspecified period of time. Frontier does not believe that these timing issues cannot be rectified, but to preserve its rights it believes it is

prudent to raise that at this time. However, Frontier will consider that should it be the chosen bidder, it will consider its bid withdrawn at the time a contract is successfully negotiated with the Town or at such time Frontier and the Town determine they cannot successfully negotiate a contract.

5.19 If any part of the Scope of Vendor Service is to be provided or completed by a Sub-Vendor or Subcontractor, the Proposer must provide a complete description of the services to be so performed along with a full description of the qualifications and capabilities of the Sub-Vendor or Subcontractor. As part of the contract award for services, the Town of New Marlborough reserves the right to approve or disapprove any and all such Sub-Vendors or Subcontractors and to revoke any approval previously given.

Frontier Response:

Frontier intends to build its' network in New Marlborough, and install and service subscribers, using employees. However, in the event that Frontier determines contractor resources to be necessary, Frontier can notify the Town and will respond to any questions or concerns expressed by the Town.

5.20 Proposing Vendor must provide contact information for all similar projects completed in the last two years in the Northeast.

Frontier Response:

Kevin Smith
Vice President, Community Engagement
(518) 773-3737
Kevin.R.Smith@ftr.com
137 Harrison Street
Gloversville, NY 12078-4815

5.21 Proposing Vendor must agree to be responsible for obtaining consents from premise owners to make connections.

Frontier Response:

Frontier agrees to be responsible for obtaining consents from premise owners to make connections.

5.22 Proposing Vendor must disclose company policies as respects the following:

Frontier Response:

One or more of the documents listed below, each included in Exhibit J to this RFP Response, address

the questions under this heading. Additional explanatory information is provided, where applicable, for each question.

- Network Management Policy
- Privacy Policy
- Commercial Internet Acceptable Use Policy
- Residential Internet Acceptable Use Policy
- Residential Internet Service Agreement Terms and Conditions
- Frontier TV Customer Notice

5.22.1 Describe your network management or non-discrimination policy as regards to (a) types (network protocols) of traffic, (b) sources or destinations of traffic (including Vendor's own), and (c) traffic content.

Frontier Response:

For all residential services Frontier handles and processes traffic as best effort. Frontier does not shape, control or add latency to any residential traffic.

5.22.2 Describe what monitoring and statistics you maintain regarding network traffic. Include in the description what customer specific information is logged and how long those logs are retained.

Frontier Response:

Frontier only collects network traffic data to assess network utilization. This data is used to track and monitor the need for augments to the network to relieve congestion.

5.22.3 Describe if or under what circumstances you use Deep Packet Inspection in your network management.

Frontier Response:

Frontier does not employ Deep Packet Inspection techniques or technologies in managing our network.

5.22.4 Describe in detail your network management in regards to bandwidth and capacity planning with a particular focus on bandwidth between the Town's users and the Internet. If you are providing diverse internet circuits/gateways, address capacity planning for each circuit as appropriate.

Frontier Response:

Frontier's Network Planning team monitors all of our GPON elements and implements network augments when total usage reaches 80%. Our CORE network is redundant and is

managed to 40% utilization to eliminate congestion if all traffic is forced to a single thread.

5.22.5 Describe in detail your monitoring of Customer Premises Equipment and customer usage.

Frontier Response:

Frontier's Network Planning and Management teams monitor customer usage the Optical Line Terminal (OLT) port level, not at the customer premise. The OLTs are port-monitored 24/7 by our Network Operations Center (NOC). Additional information regarding Customer Premises Equipment is provided in responses under Item 5.23.

5.22.6 Describe in detail any limitations on the use of the service that will be applied to customer usage.

Frontier Response:

Limits imposed by Frontier on customer usage are minimal. Please refer to the accompanying Acceptable Use policies and the Internet Service Agreement Terms and Conditions for more detail.

5.22.7 Describe in detail what would constitute abuse of the network or network service, and what steps would be taken regarding an abuser.

Frontier Response:

Please see the responses to similar questions in Frontier responses under 5.23, along with accompanying Acceptable Use policies and the Internet Service Agreement Terms and Conditions for more detail.

5.23 Proposing Vendor must disclose company policies as respects the following:

Frontier Response:

One or more of the documents listed below, each included in Exhibit J to this RFP Response, address the questions under this heading. Additional explanatory information is provided, where applicable, for each question.

- Network Management Policy
- Privacy Policy
- Commercial Internet Acceptable Use Policy
- Residential Internet Acceptable Use Policy
- Residential Internet Service Agreement Terms and Conditions

- Frontier TV Customer Notice

5.23.1 Describe what customer specific information is collected, including regarding data network and video viewing, how long that information is retained and for what purpose it is collected or used.

Frontier Response:

With regard to our video service, Frontier collects live, recorded and on-demand viewing information from set-top boxes installed at the subscriber location for purposes of operating the service, quality assurance, troubleshooting, targeted advertisement and improvement of accuracy in search results. Such information is also used for subscriber features such as recommendations, recently watched content, bookmarks and to resume DVR and on demand video playback functionality.

5.23.2 If personally identifiable detailed information is collected, describe any opt-out options customers may have on the use of that information and describe how that information is protected.

Frontier Response:

No “opt-out” is feasible for the customer-specific information retained for Frontier’s video service, as such information is required for operation of the service itself. All customer information is protected using standard encryption protocols to during transmission and storage. Any information shared with 3rd parties is removed of any personally identifiable information.

5.23.3 Describe how you respond to a complaint of copyright infringement or to any requests for subscriber identity information. Specifically, do you require a valid subpoena prior to dis-closing any subscriber information, and do you notify the subscriber prior to supplying such information?

Frontier Response:

Frontier will fulfill its legal obligation to notify alleged infringers of the existence of a complaint against them. Frontier will not divulge a customer's identity to a third-party without a subpoena or court order received through proper legal channels. In the case of a subpoena, Frontier provides subscribers with notice and an opportunity to seek a motion to quash prior to responding to the subpoena.

5.23.4 Describe in detail the circumstances under which a subscriber’s service would be shut off, and the steps that will be taken prior to such disconnection.

Frontier Response:

Frontier can suspend service for reasons including but not necessarily limited to non-payment or violations of its Acceptable Use Policy. Attempts to contact the customer via phone, e-mail or postal mail are usually made before taking such action.

Exhibit A – Certification & Signature Page

Exhibit B – MBI Last Mile Planning Map of New Marlborough

Not Applicable for Frontier RFP Response

Exhibit C – Price Proposal Form

Submitted Separately

Exhibit D – Cable Franchise Application Form

Not Applicable per Town Update to RFP

Exhibit E – Proposed Contract

Exhibit F – Surety Letter

Exhibit G – Sample Product Costs Sheet

Exhibit H – Marketing & Billing Presentation

Exhibit I – Officer Certification

Exhibit J – Corporate Policies