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Elk Grove, CA 95624

March 1, 2017

VIA ELECTRONIC FILING

Mr. Timothy J. Sullivan
Executive Director
Communications Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3288

Re: Frontier's General Order 156 Compliance Filing - 2016 Annual Report and Annual Plan

Dear Mr. Sullivan:

Pursuant to General Order 156, Frontier Communications (U 1002 C), Citizens Telecommunications of California Inc. (U-1024 C) and Frontier Communications of the Southwest Inc. (U-1026-C), collectively ("Frontier") hereby electronically files its 2016 Annual Report and Annual Plan in compliance with GO 156, Sections 9 and 10. This report is available to others upon request.

Please contact me with any questions at [916.261.4036](tel:916.261.4036).

Sincerely,

A handwritten signature in black ink, appearing to read "Charlie Born".

Charlie Born
Manager, Government and External Affairs
Frontier Communications



2016 ANNUAL REPORT AND ANNUAL PLAN

**WOMEN, MINORITY, DISABLED VETERAN, AND
LGBT OWNED BUSINESS ENTERPRISE**

**California Public Utilities Commission
March 1, 2017**



2016 ANNUAL REPORT AND ANNUAL PLAN

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INTRODUCTION

Frontier Communications (U 1002 C), Citizens Telecommunications of California Inc. (U-1024 C) and Frontier Communications of the Southwest Inc. (U-1026-C), collectively (“Frontier”) submits this 2016 Annual Report and Annual Plan in compliance with GO 156, Sections 9 and 10. Section 9 of the California Public Utilities Commission’s (CPUC) General Order 156 requires utilities to electronically file an annual report discussing ten topics. Section 10 of GO 156 requires utilities to discuss its plans to increase the following reporting year expenditures. The 2016 Annual Report presents Frontier’s supplier diversity activities and results for the period of January 1, 2016 through December 31, 2016.

Frontier has had a transformational year in 2016 as we acquired the Verizon wireline operations effective April 1, 2016. The 2016 report includes all legal entities above.

Frontier’s 2016 Annual Report combines Frontier’s three legal local exchange affiliate companies, which includes the acquired Verizon Company in order to reflect Frontier’s total California performance in the program.

Frontier’s senior and executive management at the corporate, regional and local levels have made supplier diversity a business imperative. Frontier is committed to work towards achieving the results and participation levels that meet or exceed the goals set forth by the CPUC.

In the following sections of this report, Frontier discusses each topic in Sections 9.1.1 through 9.1.11.

9.0 2016 ANNUAL REPORT

9.1.1 A DESCRIPTION OF WMDVBE PROGRAM ACTIVITIES ENGAGED IN DURING THE PREVIOUS CALENDAR YEAR.

On April 1, 2016, Frontier finalized acquisition and integration of Verizon California's wireline business and launched its new supplier diversity program. Frontier's California operations team, in alignment with our strategic sourcing organization, have taken significant steps to improve our supplier diversity program. We have communicated the importance of supplier diversity to California employees, made improvements and investments in our technology, reporting capabilities, community outreach, and we have also added additional senior leadership to our team.

INTERNAL PROGRAM ACTIVITIES.

Below are some of the highlights from 2016:

- Frontier's President and Chief Executive Officer, Daniel J. McCarthy, communicated Frontier's commitment to supplier diversity and its importance to our business. The message is included on the Frontier public-facing website. A link to this communication can be found here: [Link](#).
- Frontier continued its commitment to supplier diversity by communicating the importance of and how to include diverse suppliers in the sourcing process to California employees with operations and purchasing responsibilities. Frontier's senior leadership issued multiple communications outlining the importance of and our commitment to supplier diversity.
- To further our commitment to supplier diversity, we added a director of supplier diversity to our supply chain organization. The director provided senior leadership to our program, cultivated best in class processes within the region, and worked with small and diverse business to improve opportunities to contract with Frontier.
- Training sessions were held with our supply chain organization to ensure employees understand supplier diversity is a formal part of our sourcing program and the benefits of involving diverse suppliers in our supply chain.
- We have continued to make significant investments in technology to improve our ability to register and monitor suppliers in our online strategic sourcing portal. The sourcing team has also created detailed spend analytics which allow us to monitor key contracting opportunities and trends on a monthly basis to actively manage improvements in our program.
- The Frontier Communications National Diversity & Inclusion Counsel was formed with corporate leaders across the business. This is a cross-functional team that supports the company's diversity program and ensures diverse hiring practices are taking place across the entire enterprise. The group will meet on a regular basis to

track key program activities, discuss best practices, and develop action plans to implement them.

- The Frontier sourcing team performed a detailed evaluation of spend to identify goods and services that are coming up for bid to ensure that we are focused on areas where we can make an impact.
- We implemented group and individual diverse spending goals in order to drive utilizations of diverse suppliers by building these metrics into our performance evaluations.
- To further develop our program, we have created detailed spend analytics that categorizes vendors and spend and allows users to identify top areas of opportunity. We have built out a robust calendar of sourcing opportunities that is reviewed at least quarterly by program leadership to ensure diverse suppliers are included in spend opportunities.

EXTERNAL PROGRAM ACTIVITIES.

- Frontier continued to encourage its prime suppliers to include WMDVLGBTBEs in their subcontracting activities and report on their results. We encouraged our vendors to report Tier 2 spend on a quarterly basis. The implementation of technology has dramatically increased our visibility and control over the program. As a result, Frontier experienced significant improvements in Tier 2 tracking and reporting.
- Frontier launched its public-facing supplier diversity landing page that highlights our commitment to supplier diversity and shares information about Frontier's program with potential suppliers, customers, and investors. A link to the website can be found here: [Link](#).

The following are some of the matchmaking sessions and events Frontier sponsored or participated in across the state.

- Frontier sponsored and held an outside plant construction matchmaking event at the CPUC Small Business Expo and Matchmaking Fair in Fresno. Frontier's senior leaders from operations, engineering, regulatory, supply chain, and Frontier's prime suppliers partnered to educate diverse business on how to do business with them and provide an opportunity for matchmaking.
- Frontier participated in the CPUC Small Business Expo and Matchmaking Fair at the Pasadena Convention Center in March 2016 to promote business opportunities and provide resources to small and diverse businesses.
- Frontier participated in the American Indian Chamber of Commerce of California Small Business Expo. Frontier supply chain and operations leadership attended matchmaking sessions as well as participated in roundtable discussions to help American Indian business owners learn how to do business with Frontier.

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- In December, Frontier participated in the “Matchmaking to Help you Grow your Business” event hosted by the California Asian Chamber of Commerce. Frontier leadership had the opportunity to meet one-on-one with small and diverse business owners.
- Frontier provided sponsorships to various organizations including those that provide business education and business development to small and diverse business throughout California.
- To deepen our connection, Frontier joined the Supplier Connection a network that provides its participating buying member’s access to a broad group of small and diverse business suppliers. Supplier Connection provides a national database of small and diverse suppliers to companies to allow them to connect and cultivate business opportunities. Certifications such as the CPUC Clearinghouse certification, are tracked on this portal and allow us to further connect with small and diverse businesses.

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9.1.2 WMDVLGBTBE Annual Results by Ethnicity

Frontier Communications		2016		#156 Sec. 9.1.2		
WMDVLGBTBE Annual Results by Ethnicity						
		2016				
		Direct	Sub	Total \$	%	
1	Minority Male	Asian Pacific American	\$5,281,472	\$1,753,100	\$7,034,572	3.42%
2		African American	\$32,916	\$537,958	\$570,874	0.28%
3		Hispanic American	\$19,032,973	\$1,064,713	\$20,097,686	9.78%
4		Native American	\$0	\$0	\$0	0.00%
5		Total Minority Male	\$24,347,361	\$3,355,771	\$27,703,132	13.49%
6	Minority Female	Asian Pacific American	\$1,831	\$1,320,134	\$1,321,965	0.64%
7		African American	\$67	\$0	\$67	0.00%
8		Hispanic American	\$1,390,772	\$2,186,688	\$3,577,460	1.74%
9		Native American	\$1,347	\$1,680,559	\$1,681,906	0.82%
10		Total Minority Female	\$1,394,017	\$5,187,381	\$6,581,398	3.20%
11	Total Minority Business Enterprise (MBE)		\$25,741,378	\$8,543,152	\$34,284,530	16.69%
12	Women Business Enterprise (WBE)		\$16,275,574	\$1,259,514	\$17,535,088	8.54%
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		\$28,574	\$0	\$28,574	0.01%
14	Disabled Veteran Business Enterprise (DVBE)		\$112,090	\$549,883	\$661,973	0.32%
15	Other 8(a)*		\$0	\$0	\$0	0.00%
16	TOTAL WMDVLGBTBE		\$42,157,616	\$10,352,549	\$52,510,165	25.56%
17	Net Procurement**		\$205,425,614			
NOTE: * FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE						
** NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS						
Direct - DIRECT PROCUREMENT						
Sub - SUBCONTRACTOR PROCUREMENT						
% - PERCENTAGE OF NET PROCUREMENT						

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Frontier Communications		2016				G.O. #156 Sec. 9.1.2			
WMDVLGBTBE Direct Procurement by Product and Service Categories									
				Products		Services		Total	
				\$	%	\$	%	\$	%
1	Minority Male	Asian Pacific American	Direct	\$1,431,513	0.70%	\$3,849,959	1.87%	\$5,281,472	2.57%
2		African American	Direct	\$32,916	0.02%	\$0	0.00%	\$32,916	0.02%
3		Hispanic American	Direct	\$160,233	0.08%	\$18,872,740	9.19%	\$19,032,973	9.27%
4		Native American	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
5		Total Minority Male	Direct	\$1,624,662	0.79%	\$22,722,699	11.06%	\$24,347,361	11.85%
6	Minority Female	Asian Pacific American	Direct	\$1,831	0.00%	\$0	0.00%	\$1,831	0.00%
7		African American	Direct	\$67	0.00%	\$0	0.00%	\$67	0.00%
8		Hispanic American	Direct	\$280,400	0.14%	\$1,110,372	0.54%	\$1,390,772	0.68%
9		Native American	Direct	\$1,347	0.00%	\$0	0.00%	\$1,347	0.00%
10		Total Minority Female	Direct	\$283,645	0.14%	\$1,110,372	0.54%	\$1,394,017	0.68%
11	Total Minority Business Enterprise (MBE)		Direct	\$1,908,307	0.93%	\$23,833,071	11.60%	\$25,741,378	12.53%
12	Women Business Enterprise (WBE)		Direct	\$7,082,632	3.45%	\$9,192,942	4.48%	\$16,275,574	7.92%
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Direct	\$15,000	0.01%	\$13,574	0.00%	\$28,574	0.01%
14	Disabled Veteran Business Enterprise (DVBE)		Direct	\$0	0.00%	\$112,090	0.05%	\$112,090	0.05%
15	Other 8(a)*		Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
16	TOTAL WMDVLGBTBE		Direct	\$9,005,939	4.38%	\$33,151,677	16.13%	\$42,157,616	20.52%
17	Total Product Procurement			\$95,604,654					
18	Total Service Procurement			\$109,820,960					
19	Net Procurement**			\$205,425,614					
20	Total Number of WMDVLGBTBEs that Received Direct Spend			71					
<p>NOTE: * FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON- WMDVLGBTBE</p> <p>** NET PROCUREMENT INCLUDES PURCHASE ORDER, NON- PURCHASE ORDER, AND CREDIT CARD DOLLARS</p> <p>Direct - DIRECT PROCUREMENT</p> <p>Sub - SUBCONTRACTOR PROCUREMENT</p> <p>% - PERCENTAGE OF NET PROCUREMENT</p>									

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Frontier Communications			2016				G.O. #156 Sec. 9.1.2		
WMDVLGBTBE Subcontractor Procurement by Product and Service Categories									
				Products		Services		Total	
				\$	%	\$	%	\$	%
1	Minority Male	Asian Pacific American	Sub	\$427	0.00%	\$1,752,673	0.85%	\$1,753,100	0.85%
2		African American	Sub	\$0	0.00%	\$537,958	0.26%	\$537,958	0.26%
3		Hispanic American	Sub	\$0	0.00%	\$1,064,713	0.52%	\$1,064,713	0.52%
4		Native American	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
5		Total Minority Male	Sub	\$427	0.00%	\$3,355,344	1.63%	\$3,355,771	1.63%
6	Minority Female	Asian Pacific American	Sub	\$106,456	0.05%	\$1,213,678	0.59%	\$1,320,134	0.64%
7		African American	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
8		Hispanic American	Sub	\$1,994,119	0.97%	\$192,569	0.09%	\$2,186,688	1.06%
9		Native American	Sub	\$0	0.00%	\$1,680,559	0.82%	\$1,680,559	0.82%
10		Total Minority Female	Sub	\$2,100,575	1.02%	\$3,086,806	1.50%	\$5,187,381	2.53%
11	Total Minority Business Enterprise (MBE)		Sub	\$2,101,002	1.02%	\$6,442,150	3.14%	\$8,543,152	4.16%
12	Women Business Enterprise (WBE)		Sub	\$197,398	0.10%	\$1,062,116	0.52%	\$1,259,514	0.61%
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
14	Disabled Veteran Business Enterprise (DVBE)		Sub	\$0	0.00%	\$549,883	0.27%	\$549,883	0.27%
15	Other 8(a)*		Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
16	TOTAL WMDVLGBTBE		Sub	\$2,298,400	1.12%	\$8,054,149	3.92%	\$10,352,549	5.04%
17	Total Product Procurement			\$95,604,654					
18	Total Service Procurement			\$109,820,960					
19	Net Procurement**			\$205,425,614					
NOTE: * FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON- WMDVLGBTBE									
** NET PROCUREMENT INCLUDES PURCHASE ORDER, NON- PURCHASE ORDER, AND CREDIT CARD DOLLARS									
Direct - DIRECT PROCUREMENT									
Sub - SUBCONTRACTOR PROCUREMENT									
% - PERCENTAGE OF NET PROCUREMENT									

Frontier Communications

Frontier Communications	2016	G. O. #156 Sec 9.1.2					
WMDVLGBTBE Procurement by Standard Industrial Categories							

SIC Category		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	Other 8(a)**	Total	Total
							WMDVLGBTBE	Dollars
13 Oil & Gas Extraction	\$	\$23					\$23	\$23
	%	0.00%					0.00%	0.00%
15 Building Construction - General Contractors & Operative Builders	\$	\$45,334	\$287,328				\$332,662	\$332,662
	%	0.02%	0.1%				0.16%	0.16%
16 Heavy Construction, Except Building Construction Contractors	\$	\$2,383,405	\$578,298				\$2,961,703	\$2,961,703
	%	1.16%	0.28%				1.44%	1.44%
17 Construction- Special Trades	\$	\$4,315,289	\$1,900,784				\$6,216,073	\$6,216,073
	%	2.10%	0.93%				3.03%	3.03%
28 Chemicals and Allied Products	\$		\$130,974				\$130,974	\$130,974
	%		0.06%				0.69%	0.69%
34 Fabricated Metal Products, Except Machinery & Transport Equipment	\$	\$321	\$100,341				\$100,662	\$100,662
	%	0.00%	0.0%				0.05%	0.05%
35 Industrial and Commercial Machinery & Computer Equipment	\$	\$521,602	\$628				\$522,230	\$522,230
	%	0.25%	0.00%				0.25%	0.25%
36 Electric, Electrical Equipment & Components, Except Computer Equipment	\$	\$1,545,187	\$28,412	\$13,574			\$1,587,173	\$1,587,173
	%	0.75%	0.01%	0.01%			0.77%	0.77%
38 Measure/Analyze/Control Instruments	\$	\$0	\$87				\$87	\$87
	%	0.00%	0.00%				0.00%	0.00%
39 Misc Manufacturing Industries	\$	\$18,876					\$18,876	\$18,876
	%	0.01%					0.01%	0.01%
45 Transportation by Air	\$	\$1,441,738					\$1,441,738	\$1,441,738
	%	0.70%					0.70%	0.70%
48 Communications	\$	\$10,471,374	\$4,270,281				\$14,741,655	\$14,741,655
	%	5.10%	2.08%				7.18%	7.18%
50 Wholesale Trade - Durable Goods	\$	\$2,462,955	\$7,050,563				\$9,513,518	\$9,513,518
	%	1.20%	3.43%				4.63%	4.63%
51 Wholesale Trade - Nondurable Goods	\$	\$468	\$970				\$1,438	\$1,438
	%	0.00%	0.00%				0.00%	0.00%
55 Automotive Dealers & Gasoline Service Stations	\$	\$0	\$1,077				\$1,077	\$1,077
	%	0.00%	0.00%				0.00%	0.00%
73 Business Services	\$	\$9,000,257	\$2,962,245				\$11,962,502	\$11,962,502
	%	4.38%	1.44%				5.82%	5.82%
75 Automotive Repair, Services & Parking	\$	\$1,102	\$4,447				\$5,549	\$5,549
	%	0.00%	0.00%				0.00%	0.00%
81 Legal Services	\$	\$960					\$960	\$960
	%	0.00%					0.00%	0.00%
82 Educational Services	\$	-	\$141,407				\$141,407	\$141,407
	%	0.00%	0.1%				0.07%	0.07%
87 Engineering, Accounting, Research, Mgmt. & Related Services	\$	\$2,075,578	\$60,096				\$2,135,674	\$2,135,674
	%	1.01%	0.03%				1.04%	1.04%
89 Services, Not Elsewhere Classified	\$	\$61	\$17,150	\$15,000	\$661,973		\$694,184	\$694,184
	%	0.00%	0.01%	0.01%	0.32%		0.33%	0.33%
TOTAL	\$	\$32,841,690	\$16,875,038		\$661,973		\$52,510,165	\$52,510,165
	%	15.987%	8.215%		0.322%		25.56%	25.56%

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Frontier Communications		2016					G. O. #156 Sec 9.1.2 (D.11-05-019 & D.06-11-028)						
Number of WMDVLGBTBE Suppliers and Revenue Reported to the Clearinghouse													
Data on Number of Suppliers													
Revenue Reported to CHS							Utility-Specific 2016 Summary						
# WMDVLGBTBEs	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total	
Under \$1 million	10	13	1	1		25						0	
Under \$5 million	9	11				20						0	
Under \$10 million	1	4				5						0	
Above \$10 million	15	11	1			27						0	
TOTAL	35	39	2	1	0	77							
Revenue and Payment Data													
Revenue Reported to CHS							Utility-Specific 2016 Summary						
WMDVLGBTBE \$M	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total	
Under \$1 million	\$ 3,182,714	\$ 2,119,786	\$ 300,000	\$ -		\$ 5,602,500							
Under \$5 million	\$ 28,624,223	\$ 433,900,721				\$ 462,524,944							
Under \$10 million	\$ 7,480,000	\$ 26,149,843				\$ 33,629,843							
Above \$10 million	\$ 7,458,851,993	\$ 1,474,323,496	\$ 60,000,000			\$ 8,993,175,489							
TOTAL	\$ 7,498,138,930	\$ 1,936,493,846	\$ 60,300,000	\$ -	\$ -	\$ 9,494,932,776							
NOTE: * FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE													
CHS: SUPPLIER CLEARINGHOUSE													

Frontier Communications	2016	G.O. #156 Sec. 9.1.2
Description of WMDVLGBTBEs with CA Majority Workforce		

Each utility shall report on the number of WMDVLGBTBEs who have the Majority of their workforce working in California, to the extent the information is readily accessible.

This information is not readily accessible and is not tracked by Frontier.

9.1.3 WMDVLGBTBE PROGRAM EXPENSES

The following is a summary of Frontier’s WMDVLGBTBE program expenses incurred in 2016.

No.	1. Expense Category	(Actual)
1	Wages	\$250,000
2	Other Employee Expenses	\$10,500
3	Program Expenses	\$4800
4	Community Sponsorships	\$483,000
5	Reporting Expenses	\$87,000
6	Training	\$5,000
7	Consultants	\$0
8	Other – Technology	\$50,000
9	TOTAL	\$890,300

9.1.4 A DESCRIPTION OF PROGRESS IN MEETING OR EXCEEDING SET GOALS AND AN EXPLANATION OF ANY CIRCUMSTANCES THAT MAY HAVE CAUSED THE UTILITY TO FALL SHORT OF ITS GOALS:

In 2016, Frontier spent 25.56% of its procurement dollars with women, minority, disabled veteran and LGBT owned business enterprises. Frontier exceeded the General Order 156 diversity spend goals for women and minority owned business enterprises. However, Frontier’s effort with service disabled veterans fell short of the goal. In 2017, the supplier diversity team will continue to work closely within the supply chain/strategic sourcing team to identify opportunities for DVBEs to be included in Frontier’s business proposals for various contracts.

Frontier Communications		2016		G.O. #156 Sec. 9.1.4	
WMDVLGBTBE Results and Goals					
Category		2016 Results	2016 Goals		
Minority Men		13.49%	0.00%		
Minority Women		3.20%	0.00%		
Minority Business Enterprise (MBE)		16.69%	15.00%		
Women Business Enterprise (WBE)		8.54%	5.00%		
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		0.01%	0.00%		
Disabled Veteran Business (DVBE)		0.32%	1.50%		
TOTAL WMDVLGBTBE		25.56%	21.50%		
%- PERCENTAGE OF NET PROCUREMENT					

Breakthrough results were achieved by contracting with vendors in key spend areas. We created strategic partnerships with diverse marketing agencies to place advertisements, manage public relations communications, and help promote brand awareness throughout the region. Frontier partnered with diverse owned outside plant construction companies to act as our prime suppliers in areas of residential installation and repairs, construction of network infrastructure, and various other services. In the logistics and supply chain space, we forged new relationships with diverse suppliers that allow us to strategically place materials where they can be quickly acquired and improve efficiencies in our operations.

Frontier’s 2016 results reflect these efforts.

Category	2015	2016
Total MWDVLGBTBE Spend	\$711,231	\$52,510,165
MBE Total	\$17,503	\$34,284,530

Frontier Communications

WBE Total	\$691,292	\$17,535,088
DVBE Total	\$2,436	\$661,973
LGBT Total	\$0	\$28,574

The 2016 reported WMDVLGBTBE overall expenditures for Frontier increased by \$51,798,934 over gross procurement in 2015 (\$52,510,165 versus \$711,231) year over year. This increase is attributed to the acquisition of the Verizon wireline footprint in addition to significant improvements made by our supplier diversity team.

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9.1.5 A SUMMARY OF PRIME CONTRACTOR UTILIZATION OF WMDVBE SUBCONTRACTORS

Frontier’s supply chain/strategic sourcing department focused on second tier spend that provided a direct means to increase contracting opportunities for WMDVLGBTBEs through prime supplier engagement. Frontier identified and worked with several Frontier prime suppliers who we view as essential to our company’s goal to increase the utilization of WMDVLGBTBEs.

In addition, Frontier’s supply chain/strategic sourcing department continued to ensure clauses are included in applicable supplier agreements. We also requested that new suppliers certify WMDVLGBTBE status during initial registration via our online portal.

Frontier Communications	2016		G.O. #156 Sec. 9.1.5					
Summary of Prime Contractor Utilization of WMDVLGBTBE Subcontractors								
	Minority Male	Minority Female	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	Other 8(a)*	TOTAL WMDVLGBTBE
Direct \$	\$24,347,361	\$1,394,017	\$25,741,378	\$16,275,574	\$28,574	\$112,090	\$0	\$42,157,616
Subcontracting \$	\$3,355,771	\$5,187,381	\$8,543,152	\$1,259,514	\$0	\$549,883	\$0	\$10,352,549
Total \$	\$27,703,132	\$6,581,398	\$34,284,530	\$17,535,088	\$28,574	\$661,973	\$0	\$52,481,591
Direct %	11.85%	0.68%	12.53%	7.92%	0.01%	0.05%	0.00%	20.52%
Subcontracting %	1.63%	2.53%	4.16%	0.61%	0.00%	0.27%	0.00%	5.04%
Total %	13.49%	3.20%	16.69%	8.54%	0.01%	0.32%	0.00%	25.56%
Net Procurement**	\$205,425,614							
NOTE: *FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE								
**NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS								
% - PERCENTAGE OF NET PROCUREMENT								
Direct - DIRECT PROCUREMENT								
Sub - SUBCONTRACTOR PROCUREMENT								

9.1.6 A LIST OF WMDVBE COMPLAINTS RECEIVED DURING THE PAST YEAR, ACCOMPANIED BY A BRIEF DESCRIPTION OF THE NATURE OF EACH COMPLAINT AND ITS RESOLUTION OR CURRENT STATUS:

Frontier maintained an internal appeals process as outlined in GO 156, Section 7, to accept, review and resolve complaints relating to Frontier's supplier diversity program. Frontier did not receive any formal complaints filed with the CPUC in connection with its program during the 2016 reporting period.

9.1.7 A DESCRIPTION OF ANY EFFORTS MADE TO RECRUIT WMDVLGBTBE SUPPLIERS OF PRODUCTS OR SERVICES IN PURCHASING CATEGORIES WHERE WMDVLGBTBE UTILIZATION HAS BEEN LOW, SUCH AS LEGAL AND FINANCIAL SERVICES, FUEL PROCUREMENT, AND AREAS THAT ARE CONSIDERED HIGHLY TECHNICAL IN NATURE.

Frontier continued to focus on areas of low utilization. To identify diverse suppliers in areas of low utilization, Frontier has:

- Searched for WMDVLGBTBEs within the low utilization categories to make contact and develop relationships that may lead to procurement opportunities.
- Worked actively with other utilities to share ideas on how to identify and solicit new WMDVLGBTBEs.
- Worked with WMDVLGBTBEs that are not certified with the Clearinghouse to complete the necessary documentation to become certified.

9.1.11 WMDVLGBTBE Fuel Procurement

Not Applicable

10.0 2016 ANNUAL PLAN

10.1.1 SHORT, MID-TERM AND LONG-TERM GOALS:

GO 156, Section 10.1.1 requires that the annual plan include a discussion of the short-, mid- and long-term goals as required by Section 8. Frontier has provided on the attached spreadsheet its short-, mid-, and long-term goals, with a breakdown by Standard Industrial Classification (SIC) Major Group, and Product category, for the utilization of WMDVLGBTBE vendors. Frontier's short-, mid- and long-term goals recognize our continued commitment to provide WMDVLGBTBEs opportunities.

Frontier Communications	2016 of Report	G.O. #156 Sec. 10.1.1
WMDVLGBTBE Annual SHORT, MID, AND LONG-TERM Goals by Product and Service Category		

	Short-Term [2018]					Mid-Term [2020]					Long-Term [2022]				
	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	WMDVLGBTBE	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	WMDVLGBTBE	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	WMDVLGBTBE
Products															
34 Fabricated Metal Products, Except Machinery & Transport Equipment	0.00%	0.06%	0.00%	0.00%	0.06%	0.00%	0.08%	0.00%	0.00%	0.08%	0.00%	0.08%	0.00%	0.00%	0.08%
35 Industrial and Commercial Machinery & Computer Equipment	5.00%	0.00%	0.00%	0.00%	5.00%	6.25%	0.00%	0.00%	0.00%	6.25%	6.88%	0.00%	0.00%	0.00%	6.88%
36 Electric, Electrical Equipment & Components, Except Computer Equipment	0.10%	0.02%	0.00%	0.00%	0.12%	0.13%	0.02%	0.00%	0.00%	0.15%	0.14%	0.02%	0.00%	0.00%	0.16%
38 Measure/Analyze/Control Instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
50 Wholesale Trade - Durable Goods	1.50%	3.00%	0.00%	0.50%	5.00%	1.87%	3.75%	0.00%	0.63%	6.25%	2.06%	4.13%	0.00%	0.69%	6.87%
51 Wholesale Trade - Nondurable Goods	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Subtotal	6.60%	3.08%	0.00%	0.50%	10.18%	8.25%	3.85%	0.00%	0.63%	12.72%	9.07%	4.23%	0.00%	0.69%	14.00%

	Short-Term [2018]					Mid-Term [2020]					Long-Term [2022]				
	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	WMDVLGBTBE	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	WMDVLGBTBE	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	WMDVLGBTBE
Services															
13 Oil & Gas Extraction	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15 Building Construction - General Contractors & Operative Builders	0.03%	0.17%	0.00%	0.00%	0.20%	0.03%	0.19%	0.00%	0.00%	0.22%	0.03%	0.21%	0.00%	0.00%	0.24%
16 Heavy Construction, Except Building Construction Contractors	1.45%	0.35%	0.00%	0.00%	1.80%	1.60%	0.39%	0.00%	0.00%	1.98%	1.75%	0.43%	0.00%	0.00%	2.18%
17 Construction- Special Trades	3.68%	1.16%	0.00%	0.00%	4.83%	4.04%	2.50%	0.00%	0.00%	6.54%	4.45%	2.75%	0.00%	0.00%	7.20%
39 Misc Manufacturing Industries	0.01%	0.00%	0.00%	0.00%	0.01%	0.01%	0.00%	0.00%	0.00%	0.01%	0.01%	0.00%	0.00%	0.00%	0.01%
48 Communications	5.00%	2.60%	0.00%	1.00%	8.60%	5.50%	2.86%	0.00%	1.10%	9.46%	6.05%	3.14%	0.00%	1.21%	10.40%
55 Automotive Dealers & Gasoline Service Stations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
73 Business Services	5.48%	1.80%	0.00%	0.00%	7.28%	6.02%	4.50%	0.00%	0.00%	10.52%	6.63%	4.95%	0.00%	0.00%	11.58%
75 Automotive Repair, Services & Parking	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
81 Legal Services	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
87 Engineering, Accounting, Research, Mgmt. & Related Services	1.26%	0.04%	0.00%	0.00%	1.30%	2.00%	0.50%	0.00%	0.00%	2.50%	2.20%	0.55%	0.00%	0.00%	2.75%
89 Services, Not Elsewhere Classified	0.00%	0.01%	0.50%	0.50%	1.01%	0.00%	0.01%	1.00%	0.55%	1.56%	0.00%	0.01%	1.50%	0.61%	2.12%
Subtotal	16.91%	6.13%	0.50%	1.50%	25.04%	19.21%	10.95%	1.00%	1.65%	32.81%	21.13%	12.05%	1.50%	1.82%	36.49%

TOTAL	23.50%	9.21%	0.50%	2.00%	35.22%	27.46%	14.80%	1.00%	2.28%	45.53%	30.20%	16.28%	1.50%	2.50%	50.49%
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10.1.2 A DESCRIPTION OF WMDVLGBTBE PROGRAM INTERNAL AND EXTERNAL ACTIVITIES PLANNED FOR THE NEXT CALENDAR YEAR:

PLANNED WMDVLGBTBE PROGRAM ACTIVITIES FOR 2017

Frontier is committed to continuing to strengthen its supplier diversity results. Frontier's supplier diversity team will lead internal and external activities to further develop our program and increase opportunities for WMDVLGBTBEs. A summary of these activities are described below:

INTERNAL PROGRAM ACTIVITIES

- Develop and implement strategic plans to increase commitments to existing diverse suppliers and to provide opportunities for suppliers in low utilization areas.
- Increase supplier diversity's participation on cross-functional teams for RFPs and contracts to drive inclusion of diverse suppliers as subcontractors/2nd tier vendors in Frontier procurement opportunities.
- Partner and collaborate with internal business leaders to develop and implement strategies to increase diverse spend.
- Partner with sourcing and strategic prime suppliers to ensure multi-tier diversity inclusion.
- Communicate Frontier's short- and long-term supplier diversity related strategic directions to key internal stakeholders.
- Regularly monitor, review and analyze reports to track progress to ensure diversity initiatives are being executed.
- Continue to collaborate with minority and non-minority advocacy organizations and prime contractors to support doing business with and encourage economic development of MWDVLGBTBEs.
- Encourage Frontier's prime suppliers to diversify their base of MWDVLGBTBE suppliers and subcontractors, and develop relationships that would be mutually beneficial.
- In 2016, we added categories to our systems to allow us to identify LGBTBE suppliers. As a result, we were able to provide procurement opportunities to two LGBTBE suppliers for both products and services. In 2017, Frontier will make a more concentrated effort to include LGBTBE suppliers into our sourcing processes. We will work with local community based organizations to partner in the growth of this area. We will also use our internal supplier portal to identify suppliers as well as the Supplier Clearinghouse database and IBM Supplier Connection portal.

EXTERNAL PROGRAM ACTIVITIES

Frontier will continue to develop its supplier diversity program, with an emphasis on outreach to the supplier community, web-based tools to allow effective supplier access, and the development of best practices. Frontier will also closely monitor opportunities to

increase spending results, to promote supplier diversity and to meet its objectives, including:

- Work with various chambers of commerce and business associations to conduct one-on-one meetings between WMDVLGBTBEs and Frontier's sourcing leaders to discuss both current opportunities in California and general Frontier requirements for the applicable product or service.
- Participate in local, regional and national supplier diversity events such as: conferences, forums, symposiums, trade fairs and workshops to build awareness of Frontier's procurement requirements by participating in business matchmaking and one-on-one supplier meetings.
- Work closely with prime suppliers to ensure that they meet their 2nd tier utilization requirements and review and expand areas of opportunity for diverse spend.

10.1.3 PLANS FOR RECRUITING WMDVLGBTBE VENDORS OF LOW UTILIZED AREAS:

Frontier will continue to:

- Develop and implement strategic plans to increase commitments to existing diverse suppliers and to provide opportunities for suppliers in low utilization areas.
- Work with community organizations to drive diverse participation in Frontier sourcing opportunities.
- Benchmark with other utilities to identify diverse suppliers in low utilization areas.
- Increase supplier diversity's participation on cross functional teams for RFPs for services that historically have lower levels of diverse spend including alternate sales channels, network electronics and professional services to drive inclusion of diverse suppliers for procurement opportunities.

10.1.4 PLANS FOR SEEKING AND/OR RECRUITING WMDVLGBTBE VENDORS IN ANY EXCLUDED CATEGORY AND AREAS WHERE SUPPLIERS ARE CURRENTLY UNAVAILABLE:

The CPUC issued Decision 05-11-024 on November 13, 2005 in which it eliminated the use of exclusions in reporting diversity procurement results. Frontier has not used exclusions in providing this report.

10.1.5 PLANS FOR ENCOURAGING BOTH PRIME CONTRACTORS AND GRANTEES TO ENGAGE WMDVLGBTBEs IN SUBCONTRACTS IN ALL CATEGORIES WHICH PROVIDE SUBCONTRACTING OPPORTUNITIES:

Frontier will continue to encourage its prime suppliers to measure and report on their utilization of WMDVLGBTBE vendors as subcontractors and provide reliable detailed reporting of such activity for inclusion on this report. We will review spending activity on a monthly basis to continuously identify areas of opportunity. Reporting will be done on a quarterly basis.

Frontier will continue to work closely with prime suppliers to encourage them to utilize WMDVLGBTBEs for subcontracting opportunities and review and expand areas of opportunity for diverse spend. In addition, the company's Procurement Department will make efforts to ensure that a clause asking suppliers to include WMDVLGBTBE subcontractors, as appropriate, and report on resulting WMDVLGBTBE activity is part of future agreements.

To further develop activities with both prime and subcontractors, Frontier will host quarterly matchmaking sessions held in partnership with community based organizations. These matchmaking sessions will focus on matching our prime vendors with diverse subcontractors in the areas of Professional Services, Outside Plant Construction, Facilities Goods and Services, Marketing Goods and Services, Technology, Engineering, Fleet Maintenance and Repair Items, and other miscellaneous goods and services.

10.1.6 PLANS FOR COMPLYING WITH THE WMDVLGBTBE PROGRAM GUIDELINES ESTABLISHED BY PU CODE 8283.

Frontier will continue its efforts to identify and include as many WMDVLGBTBEs as possible in its procurement activities and to follow the program guidelines established by the CPUC. Frontier's senior procurement department management will continue to actively communicate to their direct reports the need to positively influence WMDVLGBTBE activity and meet Frontier's goals. In addition, we have added a supplier diversity status update to the docket of our bi-weekly staff meetings within the sourcing organization. This is a time for employees to share opportunities, recent successes and for our director of supplier diversity to share updates on the program.

Annual Energy Product Results by Ethnicity and WMDVLGBTBE Certification

Not applicable.

Annual Power Product Results by Ethnicity and WMDVLGBTBE Certification

Not applicable.

Frontier Communications	2016	G. O. #156 Sec 9.1.2 (D.11-05-019 & D.06-11-028)
Number of WMDVLGBTBE Suppliers and Revenue Reported to the Clearinghouse		

Data on Number of Suppliers												
# WMDVLGBTBEs	Revenue Reported to CHS						Utility-Specific 2016 Summary					
	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
Under \$1 million	10	9	1	2		22	47	47	2	2		98
Under \$5 million	14	14				28	7	3				10
Under \$10 million	1	6				7		1				1
Above \$10 million	30	22	1			53	1					1
TOTAL	55	51	2	2	0	110	55	51	2	2	0	110

Revenue and Payment Data												
WMDVLGBTBE \$M	Revenue Reported to CHS						Utility-Specific 2016 Summary					
	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
Under \$1 million	\$ 3,768,645	\$ 3,227,029	\$ 300,000	\$ -		\$ 7,295,674	\$ 7,292,262	\$ 4,533,278	\$ 28,574	\$ 661,973		
Under \$5 million	\$ 42,040,549	\$ 853,515,129				\$ 895,555,678	\$ 16,522,614	\$ 6,811,913				
Under \$10 million	\$ 7,480,000	\$ 79,489,547				\$ 86,969,547		\$ 6,188,177				
Above \$10 million	\$74,718,708,575	\$ 3,979,966,063	\$ 60,000,000			\$78,758,674,638	\$ 10,471,374					
TOTAL	\$74,771,997,769	\$ 4,916,197,768	\$ 60,300,000	\$ -	\$ -	\$79,748,495,537	\$ 34,286,250	\$ 17,533,368	\$ 28,574	\$ 661,973	\$ -	\$ 52,510,165

NOTE: * FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE

CHS: SUPPLIER CLEARINGHOUSE