UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2020
or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number 001-11001

FRONTIER COMMUNICATIONS CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	06-0619596
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
401 Merritt 7 Norwalk, Connecticut	06851
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(203) 614-5600**

Securities registered pursuant to Section 12(g) of the Act: Common Stock, par value $0.25 per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes __ No _X_

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes __ No X

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes _X_ No __

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes _X_ No __

Indicate by check mark whether the registrant has filed a report on and attestation to its management' s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes _X_ No __

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definition of "accelerated filer," "large accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer ☐ Accelerated Filer ☐ Non-Accelerated Filer ☒
Smaller Reporting Company ☒ Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes __ No _X_

The aggregate market value of common stock held by non-affiliates of the registrant on June 30, 2020 was $10.5 million based on the closing price of $0.10 per share on June 30, 2020. The number of shares outstanding of the registrant's common stock as of February 26, 2021 was 104,779,000.

DOCUMENT INCORPORATED BY REFERENCE

Items 10, 11, 12, 13 and 14 of Part III will be incorporated by reference from a Form 10K/A to be filed with the Securities and Exchange Commission.

FRONTIER COMMUNICATIONS CORPORATION AND SUBSIDIARIES
(DEBTOR-IN-POSSESSION)

TABLE OF CONTENTS

PART I

Unless the context indicates otherwise, the use of the terms the "Company," “Frontier”, “we,” “us” or “our” shall refer to Frontier Communications Corporation, and following the reorganization pursuant to the Plan (as defined below), the Reorganized Company.

Item 1. Business

Chapter 11 Restructuring

On April 14, 2020, Frontier and its subsidiaries (collectively, the Company Parties or the Debtors and, as they may be reorganized pursuant to the Plan, the Reorganized Company Parties or the Reorganized Debtors) entered into a Restructuring Support Agreement (the Restructuring Support Agreement) with certain of its noteholders (the Consenting Noteholders) to facilitate the financial restructuring (the Restructuring) of the existing debt of, existing equity interests in, and certain other obligations of the Company Parties. In connection therewith, on April 14, 2020 (the Petition Date), the Company Parties commenced cases under chapter 11 (the Chapter 11 Cases) of title 11 of the United States Code (the Bankruptcy Code) in the U.S. Bankruptcy Court for the Southern District of New York (the Bankruptcy Court).

During the Chapter 11 Cases, Frontier is allowed to reorganize its finances while the business operations continue. The Company Parties continue to operate their businesses and manage their properties as “debtors-in-possession” under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code and orders of the Bankruptcy Court.

To ensure the Company Parties’ ability to continue operating in the ordinary course of business and minimize the effect of the Restructuring on the Company Parties’ customers and employees, the Company Parties filed certain motions and applications intended to limit the disruption of the bankruptcy proceedings on its operations (the First Day Motions), including authority to pay employee wages and benefits, and pay vendors and suppliers for goods and services provided both before and after the filing date.

On May 15, 2020, the Company Parties filed a proposed Joint Plan of Reorganization and related Disclosure Statement, each of which were amended on June 26, 2020, June 29, 2020 and June 30, 2020. On May 15, 2020, the Debtors also filed a proposed order approving the Disclosure Statement and various plan solicitation materials, including the solicitation and voting procedures, which was revised on June 29, 2020 (including modifications to some of the exhibits). On June 30, 2020, the Bankruptcy Court entered the modified order approving the adequacy of the Disclosure Statement and the solicitation and notice procedures and the forms of voting ballots and notices in connection therewith. The order established June 29, 2020 as the voting record date, July 2, 2020 as the solicitation launch date and July 31, 2020 as the voting deadline. On August 21, 2020, the Company Parties filed the *Fifth Amended Joint Plan of Reorganization of Frontier Communications Corporation and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* (the Plan) with the Bankruptcy Court.

On August 27, 2020, the Bankruptcy Court entered the Order Confirming the *Fifth Amended Joint Plan of Reorganization of Frontier Communications Corporation and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* (the Confirmation Order), which approved and confirmed the Plan. The effective date of the Plan will occur once all conditions precedent to the Plan have been satisfied (the Effective Date).

As set forth in the Plan and the Disclosure Statement, in order to implement the Restructuring contemplated by the Plan, the Company Parties must satisfy several conditions after confirmation of the Plan but prior to emergence from Chapter 11. Among other things, the Company Parties must obtain requisite regulatory approvals, including FCC and required PUC approvals in certain states. As part of the regulatory approval process, the Company made a number of affirmative commitments and the FCC and states have imposed additional conditions on the Company as part of approval for the Restructuring, including specific investment, broadband service deployment, service quality improvements, reporting and compliance conditions. The regulatory approval process is moving forward, and the Company has received Public Utility Commission (PUC) approvals or favorable determinations in all of the required states at this time, except California. No assurance can be given as to the terms, conditions, and timing of the remaining California approval. Even so, the Company expects that the Effective Date will occur in early 2021.

As set forth in the Plan (See Plan Art.I.A.98), “Excess Cash” is the amount of estimated unrestricted balance sheet cash in excess of $150 million the Effective Date, and includes net after-tax cash proceeds from the Northwest Operations Sale (which amount to $1,129 million). As disclosed in the Debtors’ Plan Supplement [Docket No.1603], filed on March 1, 2021, the Debtors currently estimate $1,313 million of Excess Cash to be available as of the Effective Date. As set forth in the Plan, on the Effective Date, each of the Debtors’ senior noteholders shall receive, among other things, its Pro Rata share of and interest in the Debtors’ “Surplus Cash.” Under the Plan, the “Incremental Senior Notes Payments” will be made from Excess Cash, prior to the determination of, and distribution of, Surplus Cash.

See “Risk Factors—Risks Related to the Restructuring, Our Indebtedness and Liquidity,” “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Overview” and “—(b) Liquidity and Capital Resources” and Note 3 of the Notes to Consolidated Financial Statements for more information on the Restructuring and the risks related thereto. Refer to “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Overview—Recent Developments—Going Concern” and Note 1 of the Notes to Consolidated Financial Statements for further discussion of the Company’s ability to continue as a going concern and Note 9 for further detail of our debt obligations as of and for the year ended December 31, 2020.

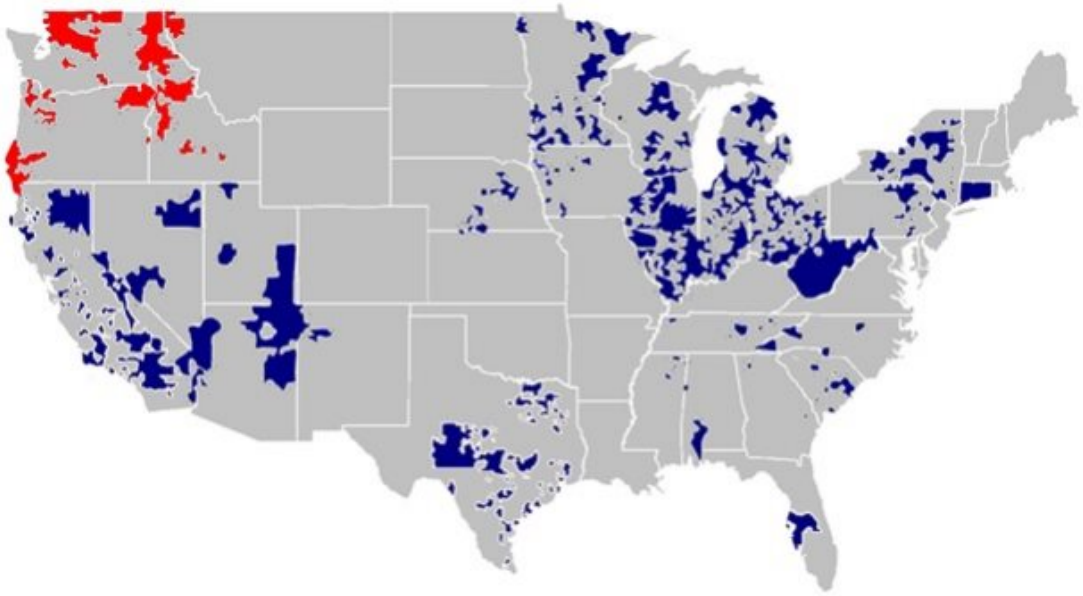
Overview

Frontier is a provider of communications services in the United States, with approximately 3.6 million customers, 3.1 million broadband subscribers and 16,200 employees, operating in 25 states as of December 31, 2020. We provide a broad portfolio of communications services for consumer and commercial customers. These services, which include data and internet services, video services, voice services, access services and advanced hardware and network solutions, are offered either on a standalone basis or in a bundled package, depending on each customer's needs.

Our services are delivered to consumer and commercial customers over both fiber and copper-based networks. While approximately half of our revenues currently are generated by legacy telecom services provided over a primarily copper-based network, we are committed to a data-first strategy, transitioning towards a larger proportion of our revenues being derived from our fiber-based offerings. At the same time, we will pursue high return investments in fiber upgrades to further enhance our product suite and capabilities.

In recent years, we have complemented our business strategy with the completion of several acquisitions and divestitures. On May 1, 2020, Frontier completed the sale of its operations and associated assets in Washington, Oregon, Idaho, and Montana (Northwest Operations or Northwest Ops) for gross proceeds of $1,352 million, subject to certain closing adjustments. Net of funding certain pension and other retiree medical liabilities, funding certain escrows and other closing adjustments, we received $1,131 million in proceeds. Approximately 950 employees transitioned upon the closing of the sale. Revenues for the Northwest Operations represented approximately 7% of consolidated revenue for the four month period ended April 30, 2020 and the twelve month period ended December 31, 2019.

Frontier's Service Territories
(Service territories indicated in red below represent the Northwest Operations which were disposed on May 1, 2020)



Recent Developments

Debt Refinancing

On August 28, 2020, the Company Parties filed a motion (the DIP Financing Motion) with the Bankruptcy Court to approve the indentures, credit, guarantee and security documents governing the obligations under senior secured superpriority first lien and/or second lien notes to be issued by the Company or an affiliate thereof, a debtor-in-possession (DIP) revolving facility and the exit revolving facility (the Exit Revolving Facility) it would convert into upon satisfaction of certain conditions, including the effectiveness of the Plan, a DIP term loan facility and the exit term loan facility it would convert into upon satisfaction of certain conditions, including the effectiveness of the Plan (the Exit Term Loan Facility) and, if applicable, the reinstated Term Loan B (collectively, the DIP Financing). On September 17, 2020, the Bankruptcy Court entered the final order approving the DIP Financing Motion.

In connection with the DIP Financing, on October 8, 2020, we issued $1,150 million aggregate principal amount of 5.875% First Lien Secured Notes due October 15, 2027 (the First Lien Notes due October 2027), and entered into a $625 million DIP revolving facility (the DIP Revolving Facility) and a $500 million DIP term loan facility (the Initial DIP Term Loan Facility). We used the proceeds from the offering of the First Lien Notes due October 2027, together with the proceeds of the Initial DIP Term Loan Facility and cash on hand, to (i) repay in full our prepetition $1,650 million aggregate principal amount of 8.000% First Lien Secured Notes due April 1, 2027 (the Original First Lien Notes) and (ii) pay related interest, fees and expenses.

In connection with the DIP Financing, on November 25, 2020, we also issued $1,550 million aggregate principal amount of 5.000% First Lien Secured Notes due May 1, 2028 (the First Lien Notes due May 2028 and, together with the First Lien Notes due October 2027, the New First Lien Notes) and $1,000 million aggregate principal amount of 6.750% Second Lien Secured Notes due May 1, 2029 (the New Second Lien Notes), and borrowed an incremental $750 million under the DIP term loan facility (the Incremental DIP Term Loan Facility and, together with the Initial DIP Term Loan Facility, the DIP Term Loan Facility). We used the proceeds from these issuances and the incremental term loan borrowing, together with cash on hand to (i) repay all outstanding borrowings under our prepetition $1,740 million senior secured term loan B facility due June 15, 2024 (the Term Loan B), (ii) repay in full the $1,600 million aggregate principal amount of prepetition 8.500% Second Lien Secured Notes due April 1, 2026 (the Original Second Lien Notes), and (iii) pay related interest, fees and expenses incurred in connection therewith.

Refer to “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Overview” and “—(b) Liquidity and Capital Resources—Term Loan and Revolving Credit Facilities and New Secured Notes” and “—Chapter 11 Cases and Other Related Matters” for additional details.

Rural Digital Opportunity Fund Auction
From October 29, 2020 through November 25, 2020, the Federal Communications Commission (FCC) held the Rural Digital Opportunity Fund (RDOF) Phase I auction and announced the results on December 7, 2020. Frontier was awarded approximately $371 million over ten years to build gigabit- capable broadband over a fiber-to-the-premises network to approximately 127,000 locations across eight states (California, Connecticut, Florida, Illinois, New York, Pennsylvania, Texas, and West Virginia). Frontier submitted its Long Form application to the FCC on January 29, 2021 and, assuming the long-form application is granted by the FCC, anticipates that it will begin receiving funding on January 1, 2022, in which case, Frontier will be required to complete the buildout to the RDOF locations by December 31, 2027, with interim target milestones over this period.

Our Priorities and Competitive Strengths

Modernization Plan
Following a comprehensive study of the best use of excess cash flow for reinvestment, Frontier is pursuing an extensive fiber build-out plan (the “Modernization Plan”) combined with execution on ongoing operational turnaround initiatives. The Modernization Plan, which aims to drive continued growth and increasing penetration of fiber to incremental locations, targets projects with high expected internal rate of return (“IRR”) opportunities based on available reinvestment dollars. Under the Modernization Plan, Frontier expects to nearly double its fiber footprint and subscribers, passing approximately 3.0 million incremental locations with fiber and adding approximately 1.2 million broadband subscribers over the next several years, with additional growth possible.

Positive Market Forces
Nation-wide, increased broadband speed is a main focus of consumers and businesses. We believe that the continued increase in the number of connected devices in the average household, along with rising demand for internet-delivered video services (Over The Top, or OTT video) enabled by rising broadband speeds, will further drive total data consumption. Our Modernization Plan is intended to capitalize on these industry trends.

Significant Network and Opportunities
Our current network passes by approximately 14.0 million consumer broadband enabled locations, consisting of 11.0 million copper passings and 3.0 million fiber passings. At December 31, 2020, we had approximately 1.2 million fiber broadband customers, representing an approximate 40% fiber penetration rate across our footprint. We believe there are opportunities for fiber upgrades within our existing footprint, including business locations and wireless towers, as well as adjacent areas. Our copper network includes 11.0 million consumer premises, of which 3.0 million we plan to upgrade to fiber under our Modernization Plan and another 8.0 million that we may seek to convert into fiber and further penetrate existing markets. We plan to leverage installed assets and resources, such as conduit, rights-of-way, field service, and distribution and billing, to enable efficient technology conversion and profitable market penetration. We also believe there is significant opportunity to enhance cash flow by improving our existing operations, including through improving product and service capabilities to enhance customer satisfaction and reduce churn.

Improving Operational Efficiency and Profitability
Our initiatives are driven by our broader strategy of shifting focus towards a higher performance, data-driven product suite, and away from legacy products. We have implemented a number of operational initiatives across our business, including customer churn reduction initiatives, reducing content costs in our video product and deemphasizing video bundles, and transforming our enterprise sales force. Our strategic initiatives enabled us to achieve six consecutive quarters of positive net fiber broadband additions and a year-over-year improvement in net losses in copper markets as of the December 31, 2020. Moreover, we have achieved significant repricing and reduction of video gross additions, while still maintaining positive broadband net additions. Finally, we continue to execute on our video strategy of achieving savings by renegotiating contracts to lower content costs or dropping channels entirely. In our Commercial business in particular, we are committed to improving our relationships with our wholesale customers and are transitioning to a more productive enterprise sales force focused on cultivating relationships with the existing customer base, minimizing churn, and driving efficient sales of core strategic products.

Restructured Balance Sheet and Cash Flow Generation to Drive Reinvestment
Our Chapter 11 restructuring is expected to eliminate approximately $11 billion of debt from our balance sheet upon emergence, which will enable significant annual interest savings. We expect this will provide flexibility to reinvest in fiber upgrades at attractive returns or pursue further deleveraging. However, this may not be indicative of our actual financial condition upon emergence, and it is possible that changes to the Plan may occur prior to or in connection with our emergence from bankruptcy, which could result in material differences to our capitalization and financial condition upon emergence. See “Risk Factors—Risks Related to the Restructuring, Our Indebtedness and Liquidity—" We believe our excess cash flow can be invested back into the business at very compelling risk adjusted returns based upon potential expansion and growth opportunities identified.

Our Customers

We conduct business with both consumer and commercial customers.

Consumer
We provide broadband, video, voice and other services and products to our consumer customers. We deliver these services generally over a combination of fiber and copper-based networks.

Commercial (small and medium businesses and larger enterprise customers (SME) as well as wholesale customers)
We provide a broad range of services to our SME and wholesale customers, including broadband service, ethernet service, traditional circuit-based services, software defined wide area network (SDWAN), managed Wi-Fi and cloud IT solutions, voice and Unified Communications as a Service (UCaaS) services and Voice over Internet Protocol (VoIP). We also offer advanced hardware and network solutions and services.

- *Small Business:* Mostly single-location businesses that subscribe to our traditional circuit-based services, the smallest of which have purchase patterns similar to consumer customers.

- *Medium Businesses and Large Enterprise:* Fortune 1000, multi-location companies, government entities, educational institutions, non-profits and small businesses that subscribe to ethernet based services.

- *Wholesale*: Wholesale customers are often referred to as carriers or service providers and include national operators such as AT&T and Verizon; local exchange companies that need to access locations within Frontier's footprint to offer local services; and wireless carriers and integrated carriers that offer a variety of services across all of these categories. Wholesale customers buy both voice and data services to supplement their own network infrastructure.

Services
We offer a broad portfolio of communications services for consumer and commercial customers. These services are offered on either a standalone basis or in a bundled package, depending on each customer's needs.

Data and internet services: We offer a comprehensive range of broadband and networking services. The principal consumer service we provide is broadband internet. Commercial services include a complete portfolio of ethernet services, dedicated internet, SDWAN, managed Wi-Fi, time division multiplexing data transport services and optical transport services. These services are all supported by 24/7 technical support and an advanced network operations center. We also offer wireless broadband services (through unlicensed spectrum) in select markets utilizing networks that we own or operate.

Video services: We provide direct linear video services in portions of California, Texas, Florida, Indiana, Connecticut, North Carolina, South Carolina, Minnesota, Illinois, New York, and Ohio. We also offer satellite TV video service to our customers under an agency relationship with Dish Network Corp. (Dish) in all of our markets. We also offer over-the-top (OTT) video service to our customers under referral agreements with OTT providers in all of our markets.

Voice services: We provide voice services, including data-based VoIP and UCaaS, long-distance and voice messaging services, to consumer and commercial customers in all of our markets. These services are billed monthly in advance. Long-distance service to and from points outside our operating properties are provided by interconnection with the facilities of interexchange carriers. Our long-distance services are billed in advance for unlimited use service and billed in arrears for services on a per minute-of-use basis.

Access services: We offer a range of access services. Our switched access services allow other carriers to use our facilities to originate and terminate their local and long-distance voice traffic. These services are generally offered on a month-to-month basis and the service is billed primarily on a minutes-of-use basis. Switched access charges are based on access rates filed with the Federal Communications Commission (FCC) for interstate services and with the respective state regulatory agency for intrastate services. See "Regulatory Environment" below.

Advanced hardware and network solutions: We offer our SME customers various hardware and network solutions utilizing cloud functionality, including end-to-end solutions like cloud managed services and Managed Wireless LAN, as well as providing customer premise equipment (CPE). We offer third-party communications equipment tailored to their specific business needs by partnering with Mitel, Cisco, Ingram Micro, Airbus, Avaya, Hewlett Packard, Adtran and other equipment manufacturers. CPE is typically sold in conjunction with voice, data and Internet services, but may also be sold on a standalone basis.

Network Architecture and Technology
Our local exchange carrier networks consist of host central office and remote sites, primarily equipped with digital and Internet Protocol switches. The outside plant consists of transport and distribution delivery networks connecting our host central office with remote central offices and ultimately with our customers. We own fiber optic and copper cable, which have been deployed in our networks and are the primary transport technologies between our host and remote central offices and interconnection points with other communication carriers.

We have expanded and enhanced our fiber optic and copper transport systems to support increasing demand for high bandwidth transport services. We routinely enhance our network and upgrade with the latest internet protocol transport and routing equipment, reconfigurable optical add/drop multiplexers transport systems, passive optical network, very high speed digital subscriber line broadband equipment, and VoIP switches. These systems support advanced services such as ethernet, dedicated internet, VoIP, and SDWAN. The network is designed with redundancy and auto-failover capability on our major circuits.

We connect to households and business locations in our service territory using a combination of fiber optic, copper and wireless technologies. In some cases, we provide direct fiber into a residence or a business premises. In other cases, a location is served with a hybrid combination of fiber and copper. Residences in our service territory are served by fiber-to-the-home and by fiber-to-the-node, meaning fiber carries the traffic to an intermediate location where the signals are converted to copper wire for the final delivery to the household. We provide data, video, and voice services to customers over both of these architectures. Additionally, fixed wireless broadband (FWB) will play an important part of our future broadband strategy and is deployed for some business ethernet services. FWB is delivered by the use of an antenna on a Frontier base location and another antenna at the customer location.

Competition
For the large majority of premises passed, we currently face competition from no more than one wireline competitor, including a portion of our footprint does not currently face any wireline competition. Moreover, we operate in many dense, urban markets with favorable demographic characteristics, including higher income and/or lower age, each of which correlate to higher broadband usage**.**

Competition within the communications industry is intense. Technological advances as well as regulatory and legislative changes have enabled a wide range of historically non-traditional communications service providers to compete with traditional providers, including Frontier. More market participants are now competing to meet the communications needs of the same customer base, thus increasing competitive pressures. Many of these service providers are not subject to the same regulations as traditional communications providers and have lower cost structures than we do. The industry has also experienced substantial consolidation in recent years. Many of our competitors are larger, have stronger brand recognition, have more service offerings and have greater financial resources than we currently do. All of these factors create downward pressure on the demand for and pricing of our services. In addition to traditional communication providers we have competition with the following:

- *Cable operators*: In a majority of our markets, cable operators offer high speed Internet, video and voice services similar to ours, and compete with us aggressively for consumer and business customers on speed and price primarily by marketing with significant promotional period pricing.

- *Wireless carriers*: Wireless operators offer broadband, video and voice services and compete with us for consumer and business customers by offering increasingly larger data packages that utilize the latest 5G technology to mobile customers. As a result, the percentage of premises with landline telephone service has been declining, a trend we expect will continue.

- *Online video providers*: Many consumers are opting for OTT video services rather than traditional, multi-channel video. In response, we have made investments in our network to deliver OTT video content to consumers who might not opt for traditional video services. The percentage of premises with a traditional, multi-channel video product has declined, a trend we expect will continue.

Competition for consumer customers is based on price, bandwidth, quality and speed of service, including promotions as well as bundling of service offerings. Competition comes from other communications providers, cable operators, Competitive Local Exchange Companies (CLECs) and other enterprises. Our focus is to improve our customers' experience through the deployment of efficient responses for their specific needs. This will improve the overall service quality provided and encourage migration to higher speed internet services. Some consumer customers prefer the convenience and discounts available when voice, data, Internet and or video services are bundled by a single provider. To address this demand, we offer satellite TV video service through a partnership with Dish® in areas where we don't otherwise have our own video capabilities.

Competition for commercial customers is also based on price, bandwidth, quality and speed of service, including pricing and promotions and bundled offerings. Competition comes from other communications providers, cable operators, CLECs and other enterprises. As compared to our consumer customers, commercial customers often require more sophisticated and more data-centered solutions (e.g., IP PBX, E911 networks, ethernet and SIP trunking). In order to differentiate ourselves from other service providers, Frontier delivers end-to-end solutions such as cloud managed services and managed wireless LAN.

As customers continue to migrate to OTT video models, broadband is a core growth component for attracting and retaining consumer customers as well as our smaller commercial customers. We are committed to growing our

customer base through providing higher broadband speeds and capacity that will enable us to reach new markets, target new customers and grow the business while maximizing our full geographic footprint.

In addition to the focus on our broadband capabilities, we must continue to evolve our other product offerings to stay current with the changing needs of the market, provide strong customer service and support, invest in our network to enable adequate capacity and capabilities, and package our offerings at attractive prices. We are continuing to execute on our initiatives to drive operational performance, invest in our fiber network, add talent to our organization and become a stronger partner to our residential and enterprise customers.

Regulatory Environment
Some of our operations are subject to regulation by the FCC and various state regulatory agencies, often called public service or utility commissions. We expect federal and state lawmakers, the FCC and the state regulatory agencies to continue to revise the statutes and regulations governing communications services.

Regulation of Our Business
We are subject to federal, state and local regulation and we have various regulatory authorizations for our regulated service offerings. At the federal level, the FCC generally exercises jurisdiction over information services, interstate or international telecommunications services and over facilities to the extent they are used to provide, originate or terminate interstate or international services. State regulatory commissions generally exercise jurisdiction over intrastate telecommunications services and the facilities used to provide, originate or terminate those services. Most of our local exchange companies operate as incumbent carriers in the states in which they operate and are certified in those states to provide local telecommunications services. Certain federal and state agencies, including attorneys general, monitor and exercise oversight related to consumer protection issues, including marketing, sales, provision of services, and service charges. In addition, local governments often regulate the public rights-of-way necessary to install and operate networks and may require service providers to obtain licenses or franchises regulating their use of public rights-of-way. Municipalities and other local government agencies also may regulate other limited aspects of our business, by requiring us to obtain cable franchises and construction permits and to abide by applicable building codes.

Some state regulatory agencies have substantial oversight over incumbent telephone companies, and their interconnection with competitive providers and provision of non-discriminatory network access to certain network elements to them. Under the Federal Telecommunications Act of 1996, state regulatory commissions have jurisdiction to set certain rates, arbitrate, and review interconnection disputes and agreements between incumbent telephone companies and CLECs, in accordance with rules set by the FCC. The FCC and some state regulatory commissions also impose fees on providers of telecommunications services to support the federal and state universal service programs. Many of the states in which we operate require prior approvals or notifications for certain acquisitions and transfers of assets, customers, or ownership of regulated entities.

Additionally, in some states we are subject to operating restrictions and minimum service quality standards. Failure to meet such restrictions may result in penalties or other obligations, including subjecting the Company to additional reporting and compliance obligations. As part of its required regulatory approval to emerge from Chapter 11, the Company has also agreed to and been required by certain states to comply with additional service quality, expenditures, reporting and other requirements. We also are required to report certain financial information. At the federal level and in a number of the states in which we operate, we are subject to price cap or incentive regulation plans under which prices for regulated services are capped. Some of these plans have limited terms and, as they expire, we may need to renegotiate with various states. These negotiations could impact rates, service quality and/or infrastructure requirements, which could also impact our earnings and capital expenditures. In other states in which we operate, we are subject to rate of return regulation that limits levels of earnings and returns on investments. Approximately 17% of our total access lines as of December 31, 2020 are in state jurisdictions under the rate of return regulatory model. We continue to advocate for no or reduced regulation with the regulatory agencies in those states. In some of the states we operate in we have already been successful in reducing or eliminating price regulation on end-user services.

Federal Regulatory Environment
Frontier, along with all telecommunications providers, is subject to FCC rules governing privacy of specified customer information. Among other things, these rules obligate carriers to implement procedures to: protect specified customer information from inappropriate disclosure; obtain customer permission to use specified information in marketing; authenticate customers before disclosing account information; and annually certify compliance with the FCC's rules. Although most of these regulations are generally consistent with our business plans, they may restrict our flexibility in operating our business.

Some regulations are, or could in the future be, the subject of judicial proceedings, legislative hearings and administrative proposals or challenges that could change the manner in which the entire industry operates or the way we provide our services. Neither the outcome of any of these developments, nor their potential impact on us, can be predicted at this time. Regulation can change rapidly in the communications industry, and such changes may have an adverse effect on us.

The current status of material regulatory initiatives is as follows:

Connect America Fund (CAF)/ Rural Digital Opportunity Fund (RDOF): In 2015, Frontier accepted the FCC's CAF Phase II offer in 29 states, which provides $332 million in annual support and in return the Company is committed to make broadband available to approximately 774,000 locations within its footprint. This amount included approximately 41,000 locations and $19 million in annual support related to the four states of the Northwest Operations, which were disposed on May 1, 2020. The CAF Phase II program is intended to provide long-term support for carriers for establishing and providing broadband service with at least 10 Mbps downstream/1 Mbps upstream speeds in high-cost unserved or underserved areas. The CAF II funding runs through 2021.

On January 30, 2020, the FCC adopted an order establishing the Rural Digital Opportunity Fund (RDOF), a competitive reverse auction to provide support to serve high cost areas. The FCC held the RDOF Phase I auction from October 29, 2020 through November 25, 2020, and announced the results on December 7, 2020. Frontier was awarded approximately $371 million over ten years to build gigabit-capable broadband over a fiber-to-the-premises network to approximately 127,000 locations across eight states (California, Connecticut, Florida, Illinois, New York, Pennsylvania, Texas, and West Virginia). Frontier submitted its Long Form application to the FCC on January 29, 2021 and, assuming the long-form application is granted by the FCC, anticipates that it will begin receiving funding on January 1, 2022, in which case, Frontier will be required to complete the buildout to the RDOF locations by December 31, 2027, with interim target milestones over this period.

After the FCC completes its current requirement to update its broadband maps with more granular broadband availability information, the FCC plans to hold a second auction for any remaining locations with the remaining funding, expected to be up to approximately $11.2 billion.

Intercarrier Compensation: In the 2011 Universal Service Fund (USF)/Intercarrier Compensation (ICC) Report and Order (the 2011 Order), the FCC reformed Intercarrier Compensation, which is the payment framework that governs how carriers compensate each other for the exchange of interstate switched traffic and began a multi-year transition to the new rates. The 2011 Order provided for the gradual elimination of effectively all terminating traffic charges by July 2017. The 2011 Order did not resolve all questions on originating access rates, however in an October 2020 order, the FCC adopted a 2-year transition of 1-800 (toll free) switched access charges to zero beginning July 2021, thus further reducing this declining revenue stream. The FCC continues to consider the possibility of a transition of originating access rates, and the potential impact on Frontier from such a change, if any, is unknown at this time. Our total revenue for Intercarrier Compensation was $3 million for the year ended December 31, 2020.

Special Access: On April 20, 2017, the FCC issued an Order (the 2017 Order) that significantly altered how commercial data services are regulated. Specifically, the 2017 Order adopted a test to determine, on a county-by-county basis, whether price-cap ILEC services, such as Frontier's DS1 and DS3 services, will continue to be regulated. The test resulted in deregulation in a substantial number of our markets and is allowing Frontier to offer its DS1 and DS3 services in a manner that better responds to the competitive marketplace and allows for commercial negotiation. The areas that remain regulated may be subject to price fluctuations depending upon the price cap formula in each year. While multiple parties appealed the 2017 Order, the 8th Circuit issued a decision that upheld the majority of the 2017 Order. As to the part of the decision that was vacated and remanded to the FCC, the FCC has reinstated the deregulation and the FCC's decision to reaffirm its deregulation has not been appealed.

Intrastate Services: Some state regulatory commissions regulate some of the rates ILECs charge for intrastate services, including originating switched access rates for intrastate access services paid by providers of intrastate long-distance services. Some states also have their own open proceedings to address reform to originating intrastate access charges and other intercarrier compensation and state universal service funds. Although the FCC has pre-empted state jurisdiction on most access charges, some states could consider moving forward with their proceedings. We cannot predict when or how these matters will be decided or the effect on our subsidy or switched access revenues. Our total revenue for Intrastate switched access services was $30 million for the year ended December 31, 2020, spread across all the states we serve.

Current and Potential Internet Regulatory Obligations: On October 1, 2019, the D.C. Circuit Court largely upheld the FCC decision in its 2018 Restoring Internet Freedom Order to reclassify broadband as an “information service.” However, the Court invalidated the FCC’s preemption of a state’s ability to pass their own network neutrality rules and remanded back to the FCC other parts of the 2018 Order. We anticipate that this ruling will be appealed. California’s network neutrality provisions will remain on hold until all appeals of this case have been exhausted. It is unclear whether pending or future appeals will have any impact on the regulatory structure, and it is unclear the degree to which the outcome of the November 2020 elections may impact federal legislative or regulatory action on net neutrality issues.

Privacy: Privacy-related legislation has been considered in a number of states. Legislative and regulatory action could result in increased costs of compliance, claims against broadband internet access service providers and others, and increased uncertainty in the value and availability of data. On June 28, 2018, the state of California enacted comprehensive privacy legislation that, effective as of January 1, 2020, gives California consumers the right to know what personal information is being collected about them, and whether and to whom it is sold or disclosed, and to access and request deletion of this information. Subject to certain exceptions, it also gives consumers the right to opt-out of the sale of personal information. The law applies the same rules to all companies that collect consumer information. It is unclear the degree to which the outcome of the November 2020 elections may impact federal legislative or regulatory action around privacy.

Coronavirus/COVID-19: On March 13, 2020, in response to the COVID-19 pandemic, over 550 providers of critical communications services, including Frontier, took the FCC’s Keep Americans Connected pledge pursuant to which providers agreed (i) not to terminate service to any residential or small business customers because of their inability to pay their bills due to the disruptions caused by the coronavirus pandemic; (ii) to waive any late fees that any residential or small business customers incur because of their economic circumstances related to the coronavirus pandemic; and (iii) to open its Wi-Fi hotspots to any American who needs them. The Keep Americans Connected Pledge expired on June 30, 2020; however, state and federal governments continue to ask companies to aid in pandemic response. A number of the states we operate in have issued executive orders prohibiting the disconnection of services for customers for the length of the state of emergency and/or otherwise restrict the assessment of late fees during the pandemic. While certain customers have taken advantage of our COVID-19 related relief programs, as of December 31, 2020, very few had past due balances beyond the point of normal disconnection. Given the unprecedented and evolving nature of the pandemic and the evolving response of multiple levels of government, the impact of potential changes on the Company are not fully known at this time.

For information on the tax-related legislative response to the COVID-19 pandemic, see “Risk Factors—Risks Related to the Restructuring, Our Indebtedness and Liquidity—We may not be able to fully utilize our net operating loss and other tax carryforwards.” and “Risks Related to Regulation and Oversight—Tax legislation may adversely affect our business and financial condition.”

Video Programming

Federal, state and local governments extensively regulate the video services industry. Our linear video services are subject to, among other things: subscriber privacy regulations; requirements that we carry a local broadcast station or obtain consent to carry a local or distant broadcast station; rules for franchise renewals and transfers; the manner in which program packages are marketed to subscribers; and program access requirements.

We provide video programming in some of our markets in California, Connecticut, Florida, Illinois, Indiana, Minnesota, New York, North Carolina, Ohio, South Carolina, and Texas pursuant to franchises, permits and similar authorizations issued by state and local franchising authorities. Most franchises are subject to termination proceedings in the event of a material breach or expire in the ordinary course. In addition, most franchises require payment of a franchise fee as a requirement to the granting of authority.

Many franchises establish comprehensive facilities and service requirements, as well as specific customer service standards and monetary penalties for non-compliance. In many cases, franchises are terminable if the franchisee fails to comply with material provisions set forth in the franchise agreement governing system operations. We believe that we are in compliance and meeting all material standards and requirements. Franchises are generally granted for fixed terms of at least ten years and must be periodically renewed. Local franchising authorities may resist granting a renewal if either past performance or the prospective operating proposal is considered inadequate.

Our agreement with Verizon for use of the FiOS brand and trademark in markets acquired from them will expire on March 31, 2021 and will not be renewed or extended. Frontier is in the process of rebranding our related data and video services as Frontier FiberOptic Internet and Frontier TV, respectively.

Environmental Regulation
The local exchange carrier subsidiaries we operate are subject to federal, state and local laws and regulations governing the use, storage, disposal of, and exposure to hazardous materials, the release of pollutants into the environment and the remediation of contamination. As an owner and former owner of property, we are subject to environmental laws that could impose liability for the entire cost of cleanup at contaminated sites, including sites formerly owned by us, regardless of fault or the lawfulness of the activity that resulted in contamination. We believe that our operations are in substantial compliance with applicable environmental laws and regulations.

Segment Information
We currently operate in one reportable segment.

Financial Information about Foreign and Domestic Operations and Export Sales
We have no foreign operations.

General
The dollar amount of our order backlog is not a significant consideration in our business and is not a meaningful metric for us. We have no material contracts or subcontracts that may be subject to renegotiation of profits or termination at the election of the federal government.

Intellectual Property
We believe that we have the trademarks, trade names and intellectual property licenses that are necessary for the operation of our business.

We own or have the rights to use various trademarks, service marks and trade names referred to in this report. Solely for convenience, we refer to trademarks, service marks and trade names in this report without the ™, SM and ® symbols. Such references are not intended to indicate, in any way, that we will not assert, to the fullest extent permitted by law, our rights to our trademarks, service marks and trade names. Other trademarks, trade names or service marks appearing in this report are the property of their respective owners.

Human Capital Resources
As of December 31, 2020, we had approximately 16,200 employees, as compared to approximately 18,300 employees as of December 31, 2019. During 2020, reduction in workforce activities resulted in the separation of approximately 35 employees. In addition, 950 employees, including 742 employees represented by unions, were transferred with the sale of our Northwest Operations in May 2020. As of December 31, 2020, approximately 11,300 of our total employees are represented by unions including approximately 3,200 employees covered by collective bargaining agreements that have expired but have been extended into 2021. Of the union-represented employees as of December 31, 2020, approximately 6,100 employees are covered by collective bargaining agreements that expire in 2021 and approximately 1,800 employees are covered by collective bargaining agreements that expire in 2022. We consider our relations with our employees to be good.

Our workforce is currently supplemented by about 525 contract workers, primarily supporting the technology and field operations groups. We are a federal contractor and follow the rules set forth by the Department of Labor Office of Compliance (OFCCP), including those applicable to recruiting, hiring and diversity.

Our human resources programs are designed to balance the priorities of our customers, employees and stakeholders. Selected key programs include:

- We offer competitive compensation packages targeted to market levels. Our benefit programs are designed to provide a safety-net to help our employees focus on our customers while managing the costs to participants and the Company.
- Compensation and benefits for our union employees are defined in our collective bargaining agreements.
- We foster employee skills and development through comprehensive training programs. For example, we provide continuous training to our customer facing employees on our latest technology and services to help facilitate a better customer experience. We also provide ongoing safety training to our field technicians to ensure both the safety of our employees and our customers.
- We provide tuition reimbursement programs to encourage personal and professional growth.
- We provide leadership development and coaching programs designed to grow leadership capacity, develop greater self-awareness and build a robust leadership pipeline.
- In response to COVID-19, we acted quickly and decisively to protect our employees and customers, avoiding furloughs and minimizing impacts to our customers.

We have operations in four large metropolitan areas as well as thousands of rural hubs across our 25-state footprint. In many of these areas, Frontier is a significant employer and contributor to the local economy. In this capacity we seek to provide grass roots support for local projects that benefit the communities that we serve. Further, we participate in the FCC's CAF (now RDOF) programs which provide support for Frontier to establish and provide broadband service in underserved areas.

As we execute on our modernization plan and related operational initiatives, key priorities will include elevating our corporate culture, enhancing and fostering diversity and inclusion across our corporation and ensuring that our workforce is appropriately aligned with key business initiatives.

Available Information

We make available, free of charge on our website, our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as practicable after we electronically file these documents with, or furnish them to, the SEC. These documents may be accessed through our website at www.frontier.com under "Investor Relations." The information posted or linked on our website is not part of, or incorporated by reference into, this report. We also make our Annual Report available in printed form upon request at no charge.

We also make available on our website, as noted above, or in printed form upon request, free of charge, our Corporate Governance Guidelines, Code of Business Conduct and Ethics, Specific Code of Business Conduct and Ethics Provisions for Certain Officers, and the charters for the Audit, Compensation, and Nominating and Corporate Governance committees of the Board of Directors. Stockholders may request printed copies of these materials by writing to: 401 Merritt 7, Norwalk, Connecticut 06851 Attention: Corporate Secretary.

Forward-Looking Statements

This Annual Report on Form 10-K contains "forward-looking statements," related to future events. Forward-looking statements address our expected future business and financial performance and financial condition, and contain words such as "expect," "anticipate," "intend," "plan," "believe," "seek," "see," "may," “will,” "would," or "target." Forward-looking statements by their nature address matters that are, to different degrees, uncertain. Uncertainties that could cause our actual results to be materially different than those expressed in our forward-looking statements include, but are not limited to:

- our ability to continue as a going concern;
- our ability to successfully consummate the Restructuring of our existing debt, existing equity interests, and certain other obligations, and emerge from the Chapter 11 Cases, including by satisfying both the conditions in the Plan and the conditions and milestones in the Restructuring Support Agreement;
- our ability to improve our liquidity and long-term capital structure and to address our debt service obligations through the Restructuring and the potential adverse effects of the Chapter 11 Cases on our liquidity and results of operations;
- our ability to maintain relationships with suppliers, customers, employees and other third parties as a result of the Restructuring and the Chapter 11 Cases;
- the effects of the Restructuring and the Chapter 11 Cases on us and the interests of various constituents;
- risks and uncertainties associated with the Restructuring, including our ability to satisfy the conditions precedent for effectiveness of and successfully consummate the Restructuring in accordance with the Plan under the Chapter 11 Cases;
- our ability to comply with the restrictions imposed by covenants in our DIP Financing and expected to be imposed by our exit financing;
- the length of time that we will operate under Chapter 11 protection and the continued availability of operating capital during the pendency of the Chapter 11 Cases;
- risks associated with third party motions in the Chapter 11 Cases, which may interfere with the Company’s ability to consummate the Restructuring;
- increased administrative and legal costs related to the Chapter 11 process;
- declines in revenue from our voice services, switched and nonswitched access and video and data services that we cannot stabilize or offset with increases in revenue from other products and services;
- declines in Adjusted EBITDA relative to historical levels that we are unable to offset through potential EBITDA enhancements;
- our ability to successfully implement strategic initiatives, including opportunities to enhance revenue and realize productivity improvements;
- our ability to effectively manage our operations, operating expenses, capital expenditures, debt service requirement and cash paid for income taxes and liquidity;
- competition from cable, wireless and wireline carriers, satellite, and over the top companies, and the risk that we will not respond on a timely or profitable basis;
- our ability to successfully adjust to changes in the communications industry, including the effects of technological changes and competition on our capital expenditures, products and service offerings;

- risks related to disruption in our networks, infrastructure and information technology that result in customer loss and/or incurrence of additional expenses;
- the impact of potential information technology or data security breaches or other cyber-attacks or other disruptions;
- our ability to retain or attract new customers and to maintain relationships with customers, employees or suppliers;
- our ability to secure, continue to use or renew intellectual property and other licenses used in our business;
- changes to our board of directors and management team upon our emergence from bankruptcy or in anticipation of emergence, and our ability to hire or retain key personnel;
- our ability to dispose of certain assets or asset groups on terms that are attractive to us, or at all;
- the effects of changes in the availability of federal and state universal service funding or other subsidies to us and our competitors and our ability to obtain future subsidies, including expiration of CAF II funding and, future RDOF funding and participation in the next round of the RDOF program;
- our ability to meet our CAF Phase II and RDOF obligations and the risk of penalties or obligations to return certain CAF Phase II and/or RDOF funds;
- our ability to defend against litigation and potentially unfavorable results from current pending and future litigation;
- our ability to comply with applicable federal and state consumer protection requirements, including agreements entered into with regulators related to consumer protection issues;
- the effects of state regulatory requirements that could limit our ability to transfer cash among our subsidiaries or dividend funds up to the parent company;
- the effects of governmental legislation and regulation on our business, including costs, disruptions, possible limitations on operating flexibility and changes to the competitive landscape resulting from such legislation or regulation;
- the impact of regulatory, investigative and legal proceedings and legal compliance risks, including failure to comply with Restructuring-related obligations imposed by Federal and State regulators and/or agreed to by the Company;
- government infrastructure projects (such as highway construction) that impact our investment plans and costs;
- continued reductions in switched access revenues as a result of regulation, competition or technology substitutions;
- our ability to effectively manage service quality in the states in which we operate and meet mandated or agreed upon service quality metrics;
- the effects of changes in income tax rates, tax laws, regulations or rulings, or federal or state tax assessments, including the risk that such changes may benefit our competitors more than us, as well as potential future decreases in the value of our deferred tax assets;
- the effects of changes in accounting policies or practices, including potential future impairment charges with respect to our intangible assets or additional losses on assets held for sale;
- the effects of increased medical expenses and pension and postemployment expenses;

- our ability to successfully renegotiate union contracts;
- changes in pension plan assumptions, interest rates, discount rates, regulatory rules and/or the value of our pension plan assets, which could require us to make increased contributions to the pension plan in 2020 and beyond;
- adverse changes in economic, political and market conditions in the areas that we serve, the U.S. and globally, including but not limited to, changes resulting from epidemics, pandemics and outbreaks of contagious diseases, including the coronavirus global pandemic, or other adverse public health developments;
- potential adverse impacts of the COVID-19 pandemic on our business and operations, including potential disruptions to the work of our employees arising from health and safety measures such as social distancing and working remotely, our ability to effectively manage increased demand on our network, our ability to maintain relationships with our current or prospective customers and vendors as well as their abilities to perform under current or proposed arrangements with us, and stress on our supply chain; and
- trading price and volatility of our common stock, risks related to the delisting of our common stock from the Nasdaq Global Select Market and the cancellation of our common stock contemplated by the Plan.

Any of the foregoing events, or other events, could cause our results to vary from management's forward-looking statements included in this report. You should consider these important factors, as well as the risks set forth under Item 1A. "Risk Factors," in evaluating any statement in this report or otherwise made by us or on our behalf. We have no obligation to update or revise these forward-looking statements and do not undertake to do so.

Investors should also be aware that while we do, at various times, communicate with securities analysts, it is against our policy to disclose to them selectively any material non-public information or other confidential information. Accordingly, investors should not assume that we agree with any statement or report issued by an analyst, irrespective of the content of the statement or report. To the extent that reports issued by securities analysts contain any projections, forecasts or opinions, such reports are not our responsibility.

Item 1A. Risk Factors

Before you make an investment decision with respect to any of our securities, you should carefully consider all the information we have included in this Annual Report on Form 10-K and our subsequent filings with the SEC. In particular, you should carefully consider the risk factors described below and the risks and uncertainties related to "Forward-Looking Statements," any of which could materially adversely affect our business, operating results, financial condition and the actual outcome of matters as to which forward-looking statements are made in this annual report. The risks and uncertainties described below are not the only ones facing Frontier. Additional risks and uncertainties that are not presently known to us or that we currently deem immaterial or that are not specific to us, such as general economic conditions, may also adversely affect our business and operations. The following risk factors should be read in conjunction with the balance of this annual report, including the consolidated financial statements and related notes included in this report.

Risks Related to the Restructuring, Our Indebtedness and Liquidity

There is no assurance that we will be able to successfully complete the Restructuring contemplated in the Plan, creating substantial doubt about our ability to continue as a going concern.

Our ability to continue as a going concern is dependent upon our ability to consummate the Restructuring and to generate sufficient liquidity from the Restructuring to meet our obligations and operating needs. Our ability to consummate the Restructuring is subject to risks and uncertainties many of which are beyond our control. These factors, together with the Company's recurring losses from operations and accumulated deficit, create substantial doubt about our ability to continue as a going concern. There can be no assurance that we will be able to successfully consummate the Restructuring on the terms set forth in the Plan, or at all, or realize all or any of the expected benefits from the Restructuring. See Note 3 of the notes to consolidated financial statements contained herein for more information on the Restructuring and the risks related thereto.

We have sought the protection of the Bankruptcy Court, which subjects us to the risks and uncertainties associated with bankruptcy and may harm our business.

We have sought the protection of the Bankruptcy Court and as a result our operations and ability to develop and execute our business plan, and our ability to continue as a going concern, are subject to the risks and uncertainties associated with bankruptcy. As such, seeking Bankruptcy Court protection could have a material adverse effect on our business, financial condition, results of operations and liquidity. Our senior management has been required to spend a significant amount of time and effort attending to the Restructuring instead of focusing exclusively on our business operations. Bankruptcy Court protection also might make it more difficult to retain management and other employees necessary to the success and growth of our business.

Other significant risks include the following:

- our ability to consummate the Plan;
- the high costs of bankruptcy and related fees;
- the imposition of restrictions or obligations on the Company by regulators related to the bankruptcy and emergence from Chapter 11;
- our ability to obtain sufficient financing to allow us to emerge from bankruptcy and execute our business plan post-emergence;
- our ability to maintain our relationships with our suppliers, service providers, customers, employees, and other third parties;
- our ability to maintain contracts that are critical to our operations; and
- the actions and decisions of our debtholders and other third parties who have interests in our Chapter 11 Cases that may be inconsistent with our plans.

Delays in the Chapter 11 Cases could increase the risks of our being unable to reorganize our business and emerge from bankruptcy and increase our costs associated with the bankruptcy process.

If the Restructuring Support Agreement is terminated, our ability to confirm and consummate the Plan may be materially and adversely affected.

The Restructuring Support Agreement contains a number of termination events, some of which would give any consenting unsecured noteholders the right to terminate such Restructuring Support Agreement, which could adversely affect our ability to consummate the Plan. For example, the breach in any material respect by any of the Debtors of the representations, warranties and covenants set forth therein; the issuance by any governmental authority of any order that would be expected to prevent the consummation of the Restructuring Transactions (as defined in the Restructuring Support Agreement); an order or motion seeking the entry of an order dismissing one or more of the Chapter 11 Cases or converting the Chapter 11 Cases to a case under chapter 7; failure to meet any milestone under the Restructuring Support Agreement; the proposal or support of any plan of liquidation, asset sale of all or substantially all of the Debtor's assets or plan of reorganization other than the Plan, among others. If the Restructuring Support Agreement is terminated, we may be unable to consummate the Plan, and there can be no assurance that we would be able to enter into a new plan or that any new plan would be as favorable to holders of claims as the Plan that has been confirmed. In addition, any Chapter 11 Cases may become protracted, which could significantly and detrimentally impact our relationships with our suppliers, service providers, customers, employees, and other third parties.

The consummation of the transactions contemplated by the Plan may not occur.

We will not complete the transactions contemplated by the Plan unless and until all conditions precedent to the consummation of the Plan are satisfied or waived. Those conditions include:

- the entry by the Bankruptcy Court of the Confirmation Order, with such Confirmation Order being a final order and in full force and effect;
- the issuance of the Reorganized Company's new common stock;
- the issuance of Takeback Debt;
- the receipt of certain regulatory approvals, including from the FCC and state-level public utilities commissions; and
- such other conditions as mutually agreed by the Company and each of its direct and indirect subsidiaries that has executed the Restructuring Support Agreement and the Required Consenting Noteholders. (as defined herein).

Some of these conditions are not under our control. There can be no assurance that any or all of the conditions precedent will be satisfied or waived or that these transactions will be completed as currently contemplated or at all. Even if these transactions are completed, they may not be completed on the anticipated schedule or terms. If these transactions are not completed on the anticipated schedule or terms, we may incur significant additional costs and expenses.

We will have a significant amount of indebtedness upon emergence and we may still be able to incur substantially more debt in the future. Such debt and debt service obligations may adversely affect us.

Under the Plan, we expect that we will have indebtedness of approximately $5.8 billion upon emergence of which approximately $5.1 billion will be secured, without giving effect to the potential issuance of takeback debt that is contemplated under the Plan. We may also be able to incur substantial additional indebtedness in the future. Although, the terms of the agreements currently governing our existing indebtedness restrict our and our restricted subsidiaries' ability to incur additional indebtedness and liens, such restrictions are subject to several exceptions and qualifications, and the indebtedness and/or liens incurred in compliance with such restrictions may be substantial. Also, these restrictions do not prevent us or our restricted subsidiaries from incurring obligations that do not constitute indebtedness. In addition, to the extent other new debt is added to our and our subsidiaries' current debt levels, the substantial leverage risks described below would increase.

The potential significant negative consequences on our financial condition and results of operations that could result from our substantial debt include:

- limitations on our ability to obtain additional debt or equity financing on favorable terms or at all;
- instances in which we are unable to comply with the covenants contained in our indentures and credit agreements or to generate cash sufficient to make required debt payments, which

circumstances have the potential of accelerating the maturity of some or all of our outstanding indebtedness;
- the possibility that we may trigger the springing maturity provisions in our credit agreements;
- the allocation of a substantial portion of our cash flow from operations to service our debt, thus reducing the amount of our cash flows available for other purposes, including capital expenditures and dividends that would otherwise improve our competitive position, results of operations or stock price;
- requiring us to sell debt or equity securities or to sell some of our core assets, possibly on unfavorable terms, to meet payment obligations;
- compromising our flexibility to plan for, or react to, competitive challenges in our business and the telecommunications industry; and
- the possibility of our being put at a competitive disadvantage with competitors who, relative to their size, do not have as much debt as we do, and competitors who may be in a more favorable position to access additional capital resources.

In addition, our New First Lien Notes and New Second Lien Notes, as well as our subsidiary indebtedness are rated below “investment grade” by independent rating agencies. This has resulted in higher borrowing costs for us. These rating agencies may lower our debt ratings further, if in the rating agencies’ judgment such an action is appropriate. A further lowering of a rating would likely increase our future borrowing costs and reduce our access to capital. Our negotiations with vendors, customers and business partners can be negatively impacted if they deem us a credit risk as a result of our credit rating.

The agreements governing our current indebtedness, and the terms of future indebtedness including the exit facilities and takeback debt, contain or will contain various covenants that impose restrictions on us and certain of our subsidiaries that may reduce our operating and financial flexibility and we may not be able to satisfy our obligations under these or other, future debt arrangements.

We face significant operational and industry challenges. Pressures on our business are resulting in a continued deterioration in revenue and liquidity and there is a lower outlook for our industry as a whole. While we have undertaken initiatives to strengthen our business, we have experienced significant challenges in achieving improvements in revenue and customer trends.

The terms of our DIP financing contain, and we expect that the terms of our exit financing and takeback debt will contain covenants that, among other things, limit our ability and the ability of certain of our subsidiaries to:

- incur additional debt and issue preferred stock;
- incur or create liens;
- redeem and/or prepay certain debt;
- pay dividends on our stock or repurchase stock;
- make certain investments;
- engage in specified sales of assets;
- enter into transactions with affiliates; and
- engage in consolidation, mergers and acquisitions.

In addition, the exit facilities will require us to comply with specified financial ratios, including a maximum first lien coverage ratio. Any future indebtedness may also require us to comply with similar or other covenants.

These restrictions on our ability to operate our business could seriously harm our business by, among other things, limiting our ability to take advantage of financings, mergers, acquisitions and other corporate opportunities. Various risks, uncertainties and events beyond our control could affect our ability to comply with these covenants. Failure to comply with any of the covenants in our existing or future financing agreements could result in a default under those agreements and under other agreements containing cross-default provisions. A default would permit lenders to accelerate the maturity for the debt under these agreements and to foreclose upon any collateral securing the debt. Under these circumstances, we might not have sufficient funds or other resources to satisfy all of our obligations, including our obligations under the notes. In addition, the limitations imposed by financing agreements on our ability to incur additional debt and to take other actions might significantly impair our ability to obtain other

financing. This could have serious consequences to our financial condition and results of operations and could cause us to become bankrupt or insolvent.

Frontier is primarily a holding company and, as a result, we rely on the receipt of funds from our subsidiaries in order to meet our cash needs and service our indebtedness, including the notes.

Frontier is primarily a holding company and its principal assets consist of the shares of capital stock or other equity instruments of its subsidiaries. As a holding company, we depend on dividends, distributions and other payments from our subsidiaries to fund our obligations. The operating results of our subsidiaries at any given time may not be sufficient to make dividends, distributions or other payments to us in order to allow us to make payments on our indebtedness. In addition, the payment of these dividends, distributions and other payments, as well as other transfers of assets, between our subsidiaries and from our subsidiaries to us may be subject to legal, regulatory or contractual restrictions. Some state regulators have imposed, and others may consider imposing, on regulated companies, including us, cash management practices that could limit the ability of such regulated companies to transfer cash between subsidiaries or to the parent company. While none of the existing state regulations materially affect our cash management, any changes to the existing regulations or imposition of new regulations or restrictions may materially adversely affect our ability to transfer cash within our consolidated companies.

We expect to be subject to claims that will not be discharged in the Chapter 11 Cases.

The Bankruptcy Code provides that the effectiveness of a plan of reorganization discharges a debtor from substantially all debts arising prior to petition date, other than as provided in the Plan or the Confirmation Order. The Plan provides that holders of general unsecured claims, including, but not limited to, litigation claims against us and/or our subsidiaries, will have their claims “ride through” the bankruptcy, meaning there is no bar to or discharge of these claims.

In particular, litigation claims against us will survive the bankruptcy and those claims may be pursued against us on or after the Effective Date, including but not limited to the amended consolidated class action complaint filed in the United States District Court for the District of Connecticut on April 30, 2018 on behalf of certain purported stockholders against Frontier, certain of its current and former directors and officers and the underwriters of certain Frontier securities offerings asserting, among other things, violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, Section 20(a) of the Exchange Act and Sections 11 and 12 of the Securities Act in connection with certain disclosures relating to the CTF Acquisition, and seeking damages and equitable and injunctive relief, and related derivative complaints against current and former directors. See Note 22 to our Consolidated Financial Statements for further information.

To the extent such claims could have been asserted prior to bankruptcy or arose during the bankruptcy, such claims can be asserted after we emerge from bankruptcy.

In addition to potential liability for claims asserted against us, we will have ongoing obligations to indemnify our former officers and directors and certain underwriters in connection with litigation as we did before the bankruptcy. In particular, claims continue to be pursued against us and certain of our current and former directors and officers as well as certain underwriters, in connection with the securities class action described above. These claims consist of claims under the Federal securities laws related to, among other things, allegedly misleading statements or omissions with respect to certain disclosures relating to the CTF Acquisition. In addition to potential liability for claims asserted against us, we also have ongoing obligations to indemnify our officers and directors in connection with this litigation, as well as obligations to indemnify the underwriters of the relevant securities offering. To the extent we have any obligations to indemnify our directors and officers or the underwriters in connection with this litigation, such obligations will remain our obligations during and after the bankruptcy. Any such indemnification obligations could be material.

In October 2013, the California Attorney General’s Office notified certain Verizon companies, including one of the subsidiaries that we acquired in the CTF Acquisition, of potential violations of California state hazardous waste statutes primarily arising from the disposal of electronic components, batteries and aerosol cans at certain California facilities. We are cooperating with this investigation. We have accrued an amount for potential penalties that we deem to be probable and reasonably estimated. This investigation will continue despite our bankruptcy. While we do not expect that any potential penalties, if ultimately incurred, will be material in comparison to the established accrual, the timing and ultimate outcome are uncertain.

The outcome and timing of these potential matters is uncertain, and it is possible that any one or more of these matters could result in material costs, penalties, fines, sanctions or injunctive relief. As a result, an adverse ruling with respect to these potential matters could have a material impact on our financial condition, results of operations, liquidity, and cash flows.

The negotiations regarding the Restructuring have consumed and will continue to consume a substantial portion of the time and attention of our management, which may have an adverse effect on our business and results of operations, and we may face increased levels of employee attrition.

Our management has spent, and continues to be required to spend, a significant amount of time and effort focusing on the Restructuring. This diversion of attention may have a material adverse effect on the conduct of our business, and, as a result, on our financial condition and results of operations, particularly if the Restructuring is protracted. During the pendency of the Restructuring, our employees will face considerable distraction and uncertainty and we may experience increased levels of employee attrition. A loss of key personnel or material erosion of employee morale could have a materially adverse effect on our ability to meet customer expectations, thereby adversely affecting our business and results of operations. The failure to retain or attract members of our management team and other key personnel could impair our ability to execute our strategy and implement operational initiatives, thereby having a material adverse effect on our financial condition and results of operations. Likewise, we could experience losses of customers who may be concerned about our ongoing long-term viability.

In certain instances, the Chapter 11 Cases may be converted to a case under Chapter 7 of the Bankruptcy Code.

Following commencement of the Chapter 11 Cases, upon a showing of cause, the Bankruptcy Court may convert such Chapter 11 Cases to cases under Chapter 7 of the Bankruptcy Code (Chapter 7). In such event, a Chapter 7 trustee would be appointed or elected to liquidate our assets for distribution in accordance with the priorities established by the Bankruptcy Code. We believe that liquidation under Chapter 7 would result in significantly smaller distributions being made to our creditors than those provided for in a Plan because of (i) the likelihood that the assets would have to be sold or otherwise disposed of in a distressed fashion over a short period of time rather than a controlled manner and as a going concern, (ii) additional administrative expenses involved in the appointment of a Chapter 7 trustee, and (iii) additional expenses and claims, some of which would be entitled to priority, that would be generated during the liquidation and from the rejection of leases and other executory contracts in connection with a cessation of operations.

Upon emergence from bankruptcy, our historical financial information may not be indicative of our future financial performance.

Our capital structure will likely be significantly altered under the Plan. Upon emergence from bankruptcy, we expect to adopt fresh-start accounting in accordance with ASC 852, *Reorganizations*. Under fresh-start accounting rules that we expect will apply to us upon the Effective Date, our assets and liabilities would be adjusted to fair value and our accumulated deficit would be restated to zero. In addition, we may adopt accounting policy changes as part of fresh-start accounting and such policies could result in material changes to our financial reporting and results. Accordingly, we expect that our financial condition and results of operations following our emergence from Chapter 11 will not be comparable to the financial condition and results of operations reflected in our historical consolidated financial statements. Further, the Plan could materially change the amounts and classifications reported in our historical consolidated financial statements, which do not give effect to any adjustments to the carrying value of assets or amounts of liabilities that might be necessary as a consequence of confirmation of a plan of reorganization. In connection with our emergence from Chapter 11, it is also possible that additional restructuring and related charges may be identified and recorded in future periods. Any such charges could be material to our financial condition, results of operations, liquidity, and cash flows.

Upon emergence from bankruptcy, the composition of our board of directors will, and our management team may, change significantly.

Under the Plan, the composition of our board of directors will change significantly upon emergence. Any new directors are likely to have different backgrounds, experiences and perspectives from those individuals who currently serve on our board of directors. For example, it was announced on September 1, 2020 that John Stratton has been selected to serve as executive chairman of our board of directors from emergence. While we expect to engage in an

orderly transition process as we integrate newly appointed board members, our board of directors following emergence from bankruptcy may have different views on strategic initiatives and a range of issues that will determine the future of the Company. As a result, the future strategy and plans of the Company may differ materially from those of the past.

Pursuant to the Restructuring Support Agreement, the finance committee of our board of directors together with the Management Selection Designees (as defined therein) commenced a management selection process for the Reorganized Company with respect to certain key management positions. Arising out of this process, we recently announced that Nick Jeffery will become Chief Executive Officer as of March 4, 2021 and will join our board of directors upon emergence. The composition of our management team may continue to change significantly. Qualified individuals are in high demand and we may incur significant costs to attract them. In addition, the loss of any of our senior management or other key employees or changes in the composition of our management team could materially and adversely affect our ability to execute their strategy and implement operational initiatives and have a material and adverse effect on our financial condition, liquidity and results of operations.

We expect to make contributions to our pension plan in future years, the amount of which will be impacted by volatility in asset values related to Frontier's pension plan and/or changes in pension plan assumptions.

We made contributions of $64 million and $166 million to our pension plan in 2020 and 2019, respectively, and we expect to continue to make contributions in future years. Required pension plan contributions for the fiscal year 2020 were estimated to be $184 million, including interest owed on contribution deferrals. Certain provisions of the CARES Act permit employers to postpone making pension contributions due in 2020 until January 4, 2021 and we postponed the remaining 2020 contributions of approximately $147 million, in the aggregate, as permitted by the CARES Act. In addition, we filed an application with the IRS for a waiver of the minimum funding standard under Section 412(c) of the Internal Revenue Code, and Section 302(c) of the Employee Retirement Income Security Act of 1974 for the pension plan year beginning January 1, 2020. With the waiver we would spread the 2020 contribution, determined as of January 1, 2020 (approximately $173 million in total), over the five subsequent plan years, in addition to the minimum contributions owed for those plan years.

Volatility in our asset values, liability calculations, or returns may impact the costs of maintaining our pension plan and our future funding requirements. Any future contribution to our pension plan could be material, and could have a material adverse effect on our liquidity by reducing cash flows.

Significant changes in discount rates, rates of return on pension assets, mortality tables and other factors could adversely affect our earnings and equity and increase our pension funding requirements.

Pension costs and obligations are determined using actual results as well as actuarial valuations that involve several assumptions. The most critical assumptions are the discount rate, the long-term expected return on assets and mortality tables. Other assumptions include salary increases, lump sum payments, and retirement age. Some of these assumptions, such as the discount rate and return on pension assets, are reflective of economic conditions and largely out of our control. Changes in the pension assumptions could have a material impact on pension costs and obligations, and could in turn have a material adverse effect on our earnings, equity and funding requirements.

We may not be able to fully utilize our net operating loss and other tax carryforwards.

As of December 31, 2020, we had federal net operating loss (NOLs) carryforwards of approximately $1.8 billion and state NOL carryforwards of approximately $9.9 billion. However, our ability to utilize these NOLs to offset taxable income may be limited in the future.

A corporation that undergoes an “ownership change” is typically subject to limitations on its ability to utilize its pre-ownership change NOLs to offset future taxable income. In general, under the U.S. Internal Revenue Code (IRC), an ownership change occurs if the aggregate stock ownership of certain stockholders (generally 5% stockholders, applying certain look-through and aggregation rules) increases by more than 50 percentage points over such stockholders’ lowest percentage ownership during the testing period (generally three years). Purchases or sales of our common stock in amounts greater than specified levels could create a limitation on our ability to utilize our NOLs for tax purposes in the future. Limitations imposed on our ability to utilize NOLs could cause U.S. federal and state income taxes to be paid earlier than would be paid if such limitations were not in effect.

Furthermore, to the extent our NOLs were generated in taxable years beginning before January 1, 2018 (and therefore can only be carried forward for 20 years), we may not be able to generate sufficient taxable income to utilize our NOLs before they expire.

In an effort to safeguard our NOLs, our Board of Directors adopted a shareholder rights plan in July 2019, under which Frontier’s shareholders of record as of the close of business on July 11, 2019 received one preferred share purchase right for each share of common stock outstanding. Pursuant to the rights plan, if a shareholder (or group) acquires beneficial ownership of 4.9 percent or more of the outstanding shares of Frontier’s common stock without prior approval of our Board of Directors or without meeting certain customary exceptions, the rights would become exercisable and entitle shareholders (other than the acquiring shareholder or group) to purchase additional shares of Frontier at a significant discount and result in significant dilution in the economic interest and voting power of the acquiring shareholder or group. Although the rights plan is intended to reduce the likelihood of an “ownership change” that could adversely affect us, there is no assurance that the restrictions on transferability in the rights plan will prevent all transfers that could result in an “ownership change”. Prior to the filing of the Chapter 11 Cases, we determined that the Restructuring, the entry into the Restructuring Support Agreement, the approval of the Plan, the entry into the Definitive Documents (as defined in the Plan), and the consummation of the Restructuring and the other transactions contemplated by the Plan and the Definitive Documents are an “Exempted Transaction” as defined in the Rights Plan.

On May 26, 2020, in connection with Frontier’s Chapter 11 cases, the U.S. Bankruptcy Court for the Southern District of New York entered an order approving certain notification and hearing procedures for transfers of, and declarations of worthlessness with respect to, beneficial ownership of common stock (the “Order”). The Order is designed to protect Frontier’s NOL carryforwards from the effect of a premature “ownership change”, and to preserve Frontier’s ability to rely on certain favorable rules that can apply to “ownership changes” occurring in connection with the implementation of a bankruptcy plan of reorganization, but we cannot guarantee that we will be able to fully protect the NOL carryforwards. The Order requires “substantial shareholders” and “50-percent shareholders” (each as defined therein), and certain persons that might become a substantial shareholder or 50- percent shareholder, to provide notice before making certain transfers of beneficial ownership of common stock or declaring its beneficial ownership of stock worthless for U.S. income tax purposes, respectively. After receiving notice, Frontier is permitted to object, whereupon such action remains ineffective pending final resolution. Any action taken in violation of such procedures is invalid.

The impact of the Restructuring on our tax attributes such as federal and state NOLs and deferred tax asset relating to disallowed interest expense (“relevant DTAs”) will depend on whether the Restructuring is structured for tax purposes as (i) a taxable disposition of substantially all of the assets and/or subsidiary stock of the Company, (ii) a recapitalization of the Company, or (iii) some other alternative structure. If structured as a taxable disposition, we anticipate that our relevant DTAs (if any) remaining after the Restructuring will not be available to the Reorganized Company (the common parent of New Frontier Issuer’s consolidated federal tax group). If structured as a recapitalization, we anticipate that we will experience an ownership change, and thus our relevant DTAs (if any) remaining after the restructuring will be subject to limitation, such that the Reorganized Company may not derive all of the benefits of any such remaining NOLs. While not free from doubt, we expect that the Restructuring will be structured as a taxable disposition of substantially all of our assets and/or subsidiary stock, in which case our relevant DTAs will not be available to the Reorganized Company. In either case, the consummation of the Restructuring may

have an adverse tax impact on us and could give rise to U.S. federal, state or local income tax liabilities. If an “ownership change” were to occur prior to the conclusion of the Restructuring, any tax liability recognized in connection with the Restructuring, particularly if the Restructuring is structured as a taxable disposition of substantially all of our assets and/or subsidiary stock, could be meaningfully increased.

Risks Related to Our Business

If our current and future initiatives to increase our revenues, profitability and cash flows are unsuccessful, our financial position and results of operations will be negatively and adversely impacted.

We must produce adequate revenues and operating cash flows that, when combined with cash on hand and borrowing under our revolving credit facility and other financings, will be sufficient to service our debt, fund our capital expenditures, pay our taxes, and fund our pension and other employee benefit obligations. We continue to experience revenue declines as compared to prior years. We have undertaken, and expect to continue to undertake, programs and initiatives with the objective of improving revenues, profitability, and cash flows by enhancing our operations and customer service and support processes. In particular, under our modernization plan we intend to grow our fiber network and optimize our existing copper network at attractive IRRs in order to increase our revenues and customer trends, and in turn increase our profitability and cash flows. These programs and initiatives require significant resources and may divert attention from ongoing operations and other strategic initiatives. Despite similar efforts in the past, we have historically experienced significant challenges in achieving improvements in revenue and customer trends. For example, in the second quarter of 2019, we significantly reduced our forecast for the anticipated long-term results of a transformation program and we continue to evolve our operational strategies and priorities.

There can be no assurance that our current and future initiatives and programs will be successful, and even if they are successful, the actual returns from these programs and initiatives may be less than anticipated or may take longer to realize than we anticipate. For example, we may not reach our targets to expand our existing fiber network on the timelines we anticipate, or at all. If current and future programs and initiatives are unsuccessful, result in lower returns than we anticipate, or take longer than we anticipate, it could have a material adverse effect on our financial position and our results of operations.

The effects of COVID-19, including its impact on market conditions, may adversely impact our business and hinder our exit financing and our ability to emerge from Chapter 11.

The outbreak of COVID-19 and the resulting economic downturn have adversely affected the financial markets and the economy more generally and could result in an economic downturn, which could adversely impact our business. As of December 31, 2020, the markets remain volatile and the economic outlook remains uncertain. We are relying on the equity and debt capital markets in order to finance our emergence from Chapter 11. Adverse capital market conditions related to COVID-19 (or otherwise) could make it more difficult or expensive, or even infeasible, to emerge from Chapter 11 through the use of one or more capital market financing transactions.

With more people staying at home and an increased reliance on broadband and telephone networks, the FCC issued the Keep Americans Connected Pledge on March 11, 2020, which provided for telecommunication providers, including Frontier, to not terminate service and to waive any late payment fees through June 30, 2020 for certain customers due to economic circumstances they are facing related to COVID-19 as well as making WIFI hotspots available to all Americans who need them. In addition, some of the states we operate in have issued executive orders as a result of COVID-19 that further impact our business, including prohibiting the disconnection of services for customers for the length of the state of emergency. The initial Keep Americans Connected Pledge has expired; however, state and federal governments continue to ask companies to aid in pandemic response. While certain customers have taken advantage of our COVID-19 related relief programs, as of December 31, 2020, very few had past due balances beyond the point of normal disconnection. Given the unprecedented and evolving nature of the pandemic and the swift moving response of multiple levels of government as well as the uncertainty of funding available for services provided, the full impact of these changes and potential changes on the Company are unknown at this time.

While overall the operational and financial impacts to our business of the COVID-19 pandemic for the year ended December 31, 2020 were not significant, we continue to closely monitor the ongoing impact to our employees, our customers, our business and our results of operations. We have experienced a slowdown in service activations and an increase in deactivations for our SMB customers; to date, these negative impacts have been partially offset

by higher residential activations and lower churn, but there can be no assurance they will continue to be offset. We also continue to closely track our customers' payment activity as well as external factors, including the expiration of federal wage subsidies for individuals and small businesses which could materially impact payment trends. With more people working from home, we have experienced higher demands on our network and higher sales activity for our residential broadband service offering. This sustained increase in network demand could lead to reduced network availability and potential outages, which may impair our ability to meet customer service level commitments, lead to higher costs, higher customer churn and potential increased regulatory actions. These potential changes, among others, could have a material financial impact to Frontier.

In addition to committing to the Keep Americans Connected Pledge, our response to COVID-19 has included several operational safety precautions such as limiting our product offerings in certain markets for certain periods, including not allowing our field service employees to enter a customer's home for a period of time, a limitation which is no longer in effect. We are continuing to require personal protective equipment on any employees entering a customer location. Through December 31, 2020, we had not experienced any significant disruptions in our supply chain; however, some of our business partners, particularly those vendors operating outside of the United States, have been more greatly impacted which has affected our service levels and distribution of work, and resulted in disruptions to our supply chain or other aspects of our business.

Additionally, potential longer-term impacts of COVID-19 on our business include the potential for higher borrowing costs due to the increasing difference in the higher yield of lower-rated debt as compared to the lower yield of higher-rated debt of similar maturity and incremental financing needs. Our analysis of the potential impact of COVID-19 is subject to change. We are unable to predict the timing, duration or intensity of the COVID-19 situation and its effects on the business and general economic conditions in the United States of America. We continue to monitor and assess the impact of the COVID-19 pandemic. Our financial condition, results of operations, liquidity and cash flows could be significantly affected by the outbreak of the COVID-19 pandemic.

There can be no assurance as to the effect that the Transactions and Chapter 11 Cases will have on our relationships with our business partners.

There can be no assurance as to the effect that the Transactions and being in Chapter 11 Cases will have on our relationships with our suppliers, customers, service providers or employees, nor can there be any assurance as to the effect on such relationships of any delay in the completion of the Transactions. To the extent that any of these events result in the tightening of payment or credit terms, increases in the price of supplied goods, or the loss of one or more major customers, service providers or key employees, it could have a material adverse effect on our business, financial condition, liquidity and results of operations.

We face intense competition.

The communications industry is extremely competitive. Through mergers and various service expansion strategies, service providers are striving to provide integrated solutions both within and across geographic markets. Our competitors include CLECs, internet service providers, wireless companies, OTT, VoIP providers and cable companies, some of which may be subject to less regulation than we are. These entities may provide services competitive with the services that we offer or intend to introduce. For example, our competitors may seek to introduce networks in our markets that are competitive with or superior to our copper-based networks in those markets. Several competitors were successful bidders in the RDOF auction in areas within Frontier's service footprint and we expect these competitors will deploy expanded services in these areas that will compete with our services. We also believe that wireless and cable providers have increased their penetration of various services in our markets. We expect that competition will remain robust. Our revenue and cash flow will be adversely impacted if we cannot reverse our customer losses or continue to provide high-quality services.

We cannot predict which of the many possible future technologies, products or services will be important in order to maintain our competitive position or what expenditures will be required to develop and provide these technologies, products or services. Our ability to compete successfully will depend on the effectiveness of capital expenditure investments in our properties, our marketing efforts, our ability to deliver high quality customer service, our ability to anticipate and respond to various competitive factors affecting the industry, including a changing regulatory environment that may affect our business and that of our competitors differently, new services that may be introduced, changes in consumer preferences, or habits, demographic trends, economic conditions and pricing

strategies by competitors. Increasing competition may reduce our revenues and increase our marketing and other costs as well as require us to increase our capital expenditures and thereby decrease our cash flows.

We may be unable to meet the technological needs or expectations of our customers and may lose customers as a result.

The communications industry is subject to significant changes in technology and replacing or upgrading our infrastructure to keep pace with such technological changes could result in significant capital expenditures. If we do not replace or upgrade technology and equipment and manage broadband speeds and capacity as necessary, we may be unable to compete effectively because we will not be able to meet the needs or expectations of our customers.

In addition, enhancements to product offerings may influence our customers to consider other service providers, such as cable operators or wireless providers. We may be unable to attract new or retain existing customers from cable companies due to their deployment of enhanced broadband and VoIP technology. In addition, new capacity services for wireless broadband technologies may permit our competitors to offer broadband data services to our customers throughout most or all of our service areas. Any resulting inability to attract new or retain existing customers could adversely impact our business and results of operations in a material manner.

Some of our competitors have superior resources, which may place us at a disadvantage.

Some of our competitors have market presence, engineering, technical, marketing and financial capabilities which are substantially greater than ours. In addition, some of these competitors have significantly less debt and are able to raise capital at a lower cost than we are able to. Consequently, some of these competitors may be able to develop and expand their communications and network infrastructures more quickly, adapt more swiftly to new or emerging technologies and changes in customer requirements, including leading edge technologies such as artificial intelligence, machine learning and various types of data science, as well as take advantage of acquisition and other opportunities more readily and devote greater resources to the marketing and sale of their products and services than we will be able to. Additionally, the greater brand name recognition of some competitors may require us to price our services at lower levels in order to retain or obtain customers. Finally, the cost advantages and greater financial resources of some of these competitors may give them the ability to reduce their prices for an extended period of time if they so choose. Our business and results of operations may be materially adversely impacted if we are not able to effectively compete.

We rely on network and information systems and other technology, and a disruption or failure of such networks, systems or technology as a result of computer viruses, cyber-attacks, misappropriation of data or other malfeasance, as well as outages, accidental releases of information or similar events, may disrupt our business and materially impact our results of operations, financial condition and cash flows.

Our information technology networks and infrastructure may be subject to damage, disruptions or shutdowns due to computer viruses, cyber-attacks or breaches, employee or third-party error or malfeasance, power outages, communication or utility failures, systems failures, natural disasters or other catastrophic events.

Further, our network and information systems are subject to various risks related to third parties and other parties we may not fully control. We use encryption and authentication technology licensed from third parties to provide secure transmission of confidential information, including our business data and customer information. Similarly, we rely on employees in our network operations centers, data centers, call centers and retail stores to follow our procedures when handling sensitive information. While we select our third-party business partners and employees carefully, we do not control their actions, which could expose us to cyber-security risks. In addition, our customers using our network to access the Internet may become victim to malicious and abusive Internet activities, such as unsolicited mass advertising (or spam), peer-to-peer file sharing, distribution of viruses, worms and other destructive or disruptive software; these activities could adversely affect our network, result in excessive call volume at our call centers and damage our or our customers' equipment and data.

While we maintain security measures, disaster recovery plans and business continuity plans for our business and are continuously working to upgrade our existing technology systems and provide employee training around the cyber risks we face, these risks are constantly evolving and are challenging to mitigate. Like many companies, we are the subject of increasingly frequent cyber-attacks. Any unauthorized access, computer viruses, accidental or intentional release of confidential information or other disruptions could result in misappropriation of our or our

customers' sensitive information; financial loss; reputational harm; increased costs, such as those relating to remediation or future protection; customer dissatisfaction, which could lead to a decline in customers and revenue; government investigations and legal claims or proceedings, fines and other liabilities. There can be no assurance that the impact of such incidents would not be material to our results of operations, financial condition or cash flows.

Our business is sensitive to continued relationships with our wholesale customers.

We have substantial business relationships with other communications carriers for which we provide service. We seek to maintain and grow our business with these customers, however we face significant competition for this wholesale business. Additionally, the Restructuring may make our business partners less willing to do business with us and could negatively impact our business. As a result, our revenues and results of operations could be materially and adversely affected.

A significant portion of our workforce is represented by labor unions.

As of December 31, 2020, approximately 70% of our total employees were represented by unions and were subject to collective bargaining agreements. Of this unionized workforce, approximately 54% are covered by collective agreements that expire in 2021 and approximately 16% are covered by collective bargaining agreements that expire in 2022. In addition, approximately 30% of the unionized workforce are covered by collective bargaining agreements that are on extensions from the dates on which they originally expired in 2019 or 2020.

We cannot predict the outcome of negotiations of the collective bargaining agreements covering our employees. If we are unable to reach new agreements or renew existing agreements, employees subject to collective bargaining agreements may engage in strikes, work slowdowns or other labor actions, which could materially disrupt our ability to provide services. New labor agreements or the renewal of existing agreements may impose significant new costs on us, which could adversely affect our financial condition and results of operations in the future.

If we are unable to hire or retain key personnel, we may be unable to operate our business successfully.

Our success will depend in part upon the continued services of our management team. We cannot guarantee that our key personnel will not leave or compete with us. The loss, incapacity or unavailability for any reason of key members of our management team could have a material impact on our business. In addition, the Restructuring may make it more difficult for us to attract and retain management and other key personnel, which could impair our ability to execute our strategy and implement operational initiatives, thereby having a material adverse effect on our financial condition and results of operations.

Negotiations with the providers of content for our video systems may not be successful, potentially resulting in our inability to carry certain programming channels on our video systems, which could result in the loss of subscribers. Alternatively, because of the power of some content providers, we may be forced to pay an increasing amount for some content, resulting in higher expenses and lower profitability.

We continue to execute on our video strategy of achieving savings by renegotiating contracts to lower content costs or dropping channels entirely. The content owners of the programming that we carry on our multichannel video systems are the exclusive provider of the channels they offer. If we are unable to reach a mutually-agreed contract with a content owner, including pricing and carriage provisions, our existing agreements to carry this content may not be renewed, resulting in the blackout of these channels. The loss of content could result in our loss of customers who place a high value on the particular content that is lost. In addition, many content providers own multiple channels. As a result, we typically have to negotiate the pricing for multiple channels rather than one and carry and pay for content that customers do not value, in order to have access to other content that customers do value. Some of our competitors have materially larger scale than we do, and may, as a result, be better positioned than we are in such negotiations. As a result of these factors, the expense of content acquisition may continue to increase, and this could result in higher expenses and lower profitability.

We are subject to a significant amount of litigation, which could require us to pay significant damages or settlements.

We are party to various legal proceedings, including, from time to time, individual actions, class and putative class actions, and governmental investigations, covering a wide range of matters and types of claims including, but not limited to, general contract disputes, billing disputes, rights of access, taxes and surcharges, consumer protection, advertising, sales and the provision of services, trademark and patent infringement, employment, regulatory, tort, claims of competitors and disputes with carriers. Litigation is subject to uncertainty and the outcome if individual matters is not predictable. We may incur significant expenses in defending these lawsuits. In addition, we may be required to pay significant awards or enter into settlements with governmental or other entities which impose significant financial and business remediation measures.

We rely on a limited number of key suppliers and vendors.

We depend on a number of suppliers and vendors for equipment and services relating to our network infrastructure, including network elements such as digital and internet protocol switching and routing equipment, optical and copper transmission equipment, broadband connectivity equipment, various forms of customer premise equipment, optical fiber, wireless equipment, as well as the software that is used throughout our network to manage traffic, network elements, and other functions critical to our operations. If any of our major suppliers were to experience disruption, supply-chain interruptions, financial difficulties, or other unforeseen problems delivering, maintaining, or servicing these network components on a timely basis, our operations could suffer significantly. For example, the ongoing COVID-19 pandemic may affect the ability of our suppliers and vendors to provide products and services to us and may adversely impact our operations. In addition, due to changes in the communications industry, the suppliers of many of these products and services have been consolidating. In the event it were to become necessary to seek alternative suppliers and vendors, we may be unable to obtain satisfactory replacement supplies, services, or utilities on economically-attractive terms, on a timely basis, or at all, which could increase costs or cause disruptions in our services.

Risks Related to Regulation and Oversight

Changes in federal or state regulations may reduce the switched access charge revenues we receive.

A portion of Frontier's total revenues ($89 million, or 1% in 2020 and $102 million, or 1%, in 2019) are derived from switched access charges paid by other carriers for services we provide in originating intrastate and interstate long-distance traffic. Frontier expects a portion of our revenues will continue to be derived from switched access charges paid by these carriers for these services. The rates Frontier can charge for switched access are regulated by the FCC and state regulatory agencies.

In 2011, the FCC adopted the 2011 Order regarding Intercarrier Compensation, which is the payment framework that governs how carriers compensate each other for the exchange of voice traffic between carriers. However, the 2011 Order did not resolve all questions on Intercarrier Compensation. In an October 2020 order, the FCC adopted a 2-year transition of 1-800 (toll free) switched access charges to bill and keep beginning July 2021, thus further reducing this declining revenue stream. The FCC continues to consider the possibility of further reducing access rates in the future. We cannot predict when or how the FCC would implement any changes originating access rates, and future reductions in these revenues may directly affect our profitability and cash flows.

In April 2017, the FCC issued an order that resulted in substantial deregulation in a number of our markets for special access services where the market is determined to be competitive and the transport market nationwide. While some aspects of the 2017 Order were appealed by stakeholders the 8th Circuit issued a decision that upheld the majority of the 2017 Order. The FCC has since reaffirmed the portions of the 2017 Order that were vacated, and no party appealed the FCC's second decision.

Certain states also have their own open proceedings to address reform to originating intrastate access charges, other intercarrier compensation, and state universal service funds. Although the FCC has pre-empted state jurisdiction on most access charges, many states could consider moving forward with their proceedings. We cannot predict when or how these matters will be decided or the effect on our subsidy or switched access revenues. However, future reductions in our subsidy or switched access revenues may directly affect our profitability and cash flows as those regulatory revenues do not have an equal level of associated variable expenses.

A portion of Frontier's total revenues ($344 million, or 5%, in 2020 and $365 million, or 4%, in 2019) are derived from federal and state subsidies for rural and high-cost support, that consists primarily of CAF II support, as well as Federal High Cost support and various state subsidies. The FCC's 2011 Order changed how federal subsidies are calculated and disbursed. These changes transitioned the USF (Universal Service Fund), which supported voice services in high-cost areas, to the CAF (Connect America Fund), which supports broadband deployment in high-cost areas. In June 2015, we accepted the FCC's offer of support to price cap carriers under the CAF Phase II program in 25 states, which, excluding the support related to the Northwest Operations divested on May 1, 2020, provides $313 million in annual support through 2021 in return for our commitment to make broadband available to households within our footprint.

On January 30, 2020, the FCC adopted an order establishing the RDOF program. The FCC held the RDOF Phase I auction from October 29, 2020 through November 25, 2020 and announced the results on December 7, 2020. Frontier was awarded approximately $371 million over ten years to build gigabit-capable broadband over a fiber-to-the-premises network to approximately 127,000 locations across eight states (California, Connecticut, Florida, Illinois, New York, Pennsylvania, Texas, and West Virginia). Frontier submitted its Long Form application to the FCC on January 29, 2021 and, assuming the long-form application is granted by the FCC, anticipates that it will begin receiving funding on January 1, 2022. The program will not be as favorable to us as the CAF Phase II program, and this program will result in a material reduction in the level of funding that we receive from the FCC under the CAF Phase II program (approximately $332 million in annual support) to approximately $37 million in annual support under RDOF beginning in 2022. Our inability to replace a substantial portion of this reduction, will in turn result in a material reduction in our revenue and operating income, and could have a material adverse effect on our business, financial condition and results of operations.

In addition, we are required to contribute to the USF and the FCC allows us to recover these contributions through a USF surcharge on customers' bills. This surcharge accounted for $193 million of revenue in 2020 and $221 million in 2019. Our inability to recover USF contributions could have a material adverse effect on our business or results of operations.

Future reductions in these subsidies, the inability to replace a substantial portion of our CAF II or RDOF funding, or our inability to recover USF contributions, could have a material adverse effect on our business or results of operations.

While we plan to implement a number of operational initiatives before and following our emergence from bankruptcy in order to realize certain cost savings, our ability to achieve such cost savings on a timely basis, or at all, is subject to various risks and assumptions by our management, which may or may not be realized. In addition, our ability to achieve such costs savings is subject to the incurrence of other costs in our operations, which may be material and may offset all or a portion of such cost savings. As a result, we may not be able to realize these anticipated cost savings on a timely basis or at all. Even if we do realize some or all of such cost savings, they may be insufficient to offset any reductions in subsidies or CAF Phase II funding we receive, or our inability to recover USF contributions.

Frontier and our industry will likely remain highly regulated, and we could incur substantial compliance costs that could constrain our ability to compete in our target markets.

As an incumbent local exchange carrier, some of the services we offer are subject to significant regulation from federal, state and local authorities. This regulation could impact our ability to change our rates, especially on our basic voice services and our access rates and could impose substantial compliance costs on us. In some jurisdictions, regulation may restrict our ability to expand our service offerings. In addition, changes to the regulations that govern our business may have an adverse effect on our business by reducing the allowable fees that we may charge, imposing additional compliance costs, reducing the amount of subsidies or otherwise changing the nature of our operations and the competition in our industry. At this time, it is unknown how these regulations, regulatory oversight, or changes to these regulations will affect Frontier's operations or ability to compete in the future.

FCC rulemakings and state regulatory proceedings, including those relating to intercarrier compensation, universal service and broadband services, could have a substantial adverse impact on our operations.

Our Internet access offerings could become subject to additional laws and regulations as they are adopted or applied to the Internet. As the significance of the Internet expands, federal, state and local governments may pass laws and adopt rules and regulations, including those directed at privacy, or apply existing laws and regulations to the Internet (including Internet access services), and related matters are under consideration in both federal and state legislative and regulatory bodies. Although the FCC has pre-empted state jurisdiction on network neutrality and privacy, many states, including California, have considered or are moving forward with legislation on these or other Internet-related issues. Multiple states have taken executive or legislative action directed at reinstating aspects of the FCC's 2015 Order. We cannot predict whether the outcome of expected or pending challenges to the FCC's order or subsequent state actions will prove beneficial or detrimental to our competitive position. It is also unclear the degree to which the outcome of the November 2020 elections may impact federal or state legislative or regulatory action on net neutrality and privacy issues.

We are subject to the oversight of certain federal and state agencies that have in the past, and may in the future, investigate or pursue enforcement actions against us relating to consumer protection matters.

Certain federal and state agencies, including state attorneys general, monitor and exercise oversight related to consumer protection matters, including those affecting the communications industry. Such agencies have in the past, and may in the future, choose to launch an inquiry or investigation of our business practices in response to customer complaints or other publicized customer service issues or disruptions, including regarding the failure to meet technological needs or expectations of our customers. Such inquiries or investigations could result in reputational harm, enforcement actions, litigation, fines, settlements and/or operational and financial conditions being placed on the company, any of which could materially and adversely affect our business.

We are subject to the oversight of certain federal and state regulatory agencies regarding commitments the Company made and others that were imposed by the regulatory agencies in association with securing federal and state regulatory approval for the Restructuring.

The Company made a number of affirmative commitments to federal and certain state regulators to secure approval for the Restructuring, including specific investment, broadband service deployment, service quality improvements, reporting, and compliance commitments. Regulators will monitor and may launch compliance inquiries or investigations and if the Company is found to have failed to comply with its obligations it could result in reputational harm, enforcement actions, litigation, penalties, fines, settlements and/or operational and financial conditions being placed on the Company, any of which could materially and adversely affect our business.

Tax legislation may adversely affect our business and financial condition.

Tax laws are dynamic and continually change as new laws are passed and new interpretations of the law are issued or applied. For example, on December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the TCJA. The TCJA makes broad and complex changes to the U.S. tax code and, among other things, includes changes to U.S. federal tax rates, imposes significant additional limitations on the deductibility of interest, allows for the expensing of capital expenditures, and imposes limitations on the use of net operating losses arising in taxable years beginning after December 31, 2017. The reduction of the U.S. corporate tax rate results in a decreased valuation of our deferred tax asset and liabilities.

More recently, on March 18, 2020, the Families First Coronavirus Response Act (FFCR Act), and on March 27, 2020, the CARES Act were each enacted in response to the COVID-19 pandemic. The FFCR Act and the CARES Act contain numerous income tax provisions, such as relaxing limitations on the deductibility of interest and the use of net operating losses arising in taxable years beginning after December 31, 2017. The Company is continuing to evaluate the impact of this legislation on its consolidated financial position, results of operations, and cash flows. Future regulatory guidance under the FFCR Act and the CARES Act (as well as under the TCJA) may be forthcoming, and such guidance could ultimately increase or lessen their impact on our business and financial condition. It is also highly possible that Congress will enact additional legislation in connection with the COVID-19 pandemic, some of which could have an impact on the Company.

The determination of the benefit from (or provision for) income taxes requires complex estimations and significant judgments concerning the applicable tax laws. If in the future any element of tax legislation changes the related accounting guidance for income tax, it could affect our income tax position and we may need to adjust the benefit from (or provision for) income taxes accordingly.

Risks Related to Our Common Stock

Under the Plan, we currently anticipate that our common stock will be canceled and that holders of such common stock will not receive any distribution with respect to, or be able to recover any portion of, their investments.

The Plan provides that all equity interests of existing equity holders will be extinguished. Amounts invested by the holders of our common stock will not be recoverable and such securities will have no value. Trading prices for these securities may bear little or no relationship to the actual recovery, if any, by holders of in the Chapter 11 Cases. Furthermore, the Plan provides that certain holders of our debt will receive 100% of the common equity (the New Common Stock) of the Company or an entity formed to indirectly acquire substantially all of the assets and/or subsidiary stock of the Reorganized Company, subject to dilution by certain permitted management incentive plans. There can be no assurance that an active public trading market for our common stock will be sustained, or that there will be an active public trading market for the New Common Stock of the Reorganized Company.

As a result of our filing for protection under the federal bankruptcy laws, our common stock has been delisted from NASDAQ which could have a material adverse effect on our business, results of operations, financial condition, liquidity and stock price.

Following our filing for protection under the federal bankruptcy laws, our common stock was delisted from NASDAQ, which could negatively impact the trading price, trading volume, liquidity, availability of price quotations, news and analyst coverage of, and have other material adverse effects on, our common stock. Our common stock is now quoted on the OTC Pink Sheets market maintained by the OTC Market Group, Inc. under the trading symbol “FTRCQ.” The lack of an active market may impair the ability of holders of our common stock to sell their shares at the time they wish to sell them or at a price that they consider reasonable. The lack of an active market may also reduce the fair market value of the shares of our common stock. Furthermore, because of the limited market and generally low volume of trading in our common stock, the price of our common stock could be more likely to be affected by broad market fluctuations, general market conditions, fluctuations in our operating results, changes in the markets’ perception of our business, and announcements made by us, our competitors, parties with whom we have business relationships or third parties with interests in the Chapter 11 Cases.

Additionally, the delisting may adversely impact the perception of the Company’s financial condition and cause reputational harm with investors and parties conducting business with the Company. The perceived decreased value of employee equity incentive awards may reduce their effectiveness in encouraging performance and retention. Each of these occurrences, individually or in the aggregate, could have a material adverse effect on our business.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

We own property, which consists primarily of land and buildings, office and warehouse facilities, central office equipment, software, outside plant and related equipment. Outside communications plant includes aerial and underground cable, conduit, poles and wires. Central office equipment includes digital switches and peripheral equipment. As such, our properties do not provide a basis for description by character or location of principal units. All of our property is considered to be in good working condition and suitable for its intended purpose.

Our gross investment in property, by category, as of December 31, 2020, was as follows:

($ in millions)		
Land	$	212
Buildings and leasehold improvements		2,139
General support		1,643
Central office/electronic circuit equipment		8,270
Poles		1,371
Cable, fiber and wire		11,883
Conduit		1,619
Construction work in progress		558
Total	$	27,695

Item 3. Legal Proceedings

See Note 22 of the Notes to Consolidated Financial Statements included in Part IV of this report.

We are party to various legal proceedings (including individual actions, class and putative class actions, and governmental investigations) arising in the normal course of our business covering a wide range of matters and types of claims including, but not limited to, general contract disputes, billing disputes, rights of access, taxes and surcharges, consumer protection, advertising, sales and the provision of services, trademark and patent infringement, employment, regulatory, tort, claims of competitors and disputes with other carriers. Litigation is subject to uncertainty and the outcome of individual matters is not predictable. However, we believe that the ultimate resolution of all such matters, after considering insurance coverage or other indemnities to which we are entitled, will not have a material adverse effect on our financial position, results of operations, or cash flows.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock is currently traded on the OTC Pink Sheets Market under the symbol “FTRCQ”. We paid no cash dividends to common shareholders in each of 2020 and 2019. See “Risk Factors—Risks Related to Our Common Stock” for information on the delisting of our common stock and the risks related thereto.

As of February 26, 2021, the number of security holders of record of our common stock was 215,273. This information was obtained from our transfer agent, Computershare Inc.

Recent Sales of Unregistered Securities, Use of Proceeds from Registered Securities

There were no unregistered sales of equity securities during the fourth quarter of 2020.

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares Purchased	Average Price Paid per Share
October 1, 2020 to October 31, 2020		
Employee Transactions [1]	-	$ -
November 1, 2020 to November 30, 2020		
Employee Transactions [1]	-	$ -
December 1, 2020 to December 31, 2020		
Employee Transactions [1]	-	$ -
Totals October 1, 2020 to December 31, 2020		
Employee Transactions [1]	-	$ -

(1) Includes restricted shares withheld (under the terms of grants under employee stock compensation plans) to offset minimum tax withholding obligations that occur upon the vesting of restricted shares. Frontier’s stock compensation plans provide that the value of shares withheld shall be the average of the high and low price of our common stock on the date the relevant transaction occurs.

Item 6. Selected Financial Data

The following tables present selected historical consolidated financial information of Frontier for the periods indicated. The selected historical consolidated financial information of Frontier as of and for each of the five fiscal years in the period ended December 31, 2020 has been derived from Frontier's historical consolidated financial statements. The selected historical consolidated financial information as of December 31, 2020 and 2019 and for each of the years in the three-year period ended December 31, 2020, is derived from the audited historical consolidated financial statements of Frontier included elsewhere in this Annual Report. The selected historical consolidated financial information as of December 31, 2018, 2017 and 2016 and for each of the years ended December 31, 2017 and 2016 is derived from the audited historical consolidated financial statements of Frontier not included in this Annual Report.

	Year Ended December 31, [1] [2]				
($ in millions, except per share amounts)	2020	2019	2018	2017	2016
Revenue [3]	$ 7,155	$ 8,107	$ 8,611	$ 9,128	$ 8,896
Operating Income (loss)	$ 959	$ (4,873)	$ 827	$ (1,483)	$ 911
Net loss [4] [5] [6] [7] [8] [9] [10]	$ (402)	$ (5,911)	$ (643)	$ (1,804)	$ (373)
Net loss attributable to Frontier common shareholders [4] [5] [6] [7] [8] [9] [10]	$ (402)	$ (5,911)	$ (750)	$ (2,018)	$ (587)
Net loss attributable to Frontier common shareholders per basic and diluted share [4] [5] [6] [7] [8] [9] [10]	$ (3.85)	$ (56.80)	$ (8.37)	$ (25.99)	$ (7.61)
Cash dividends declared (and paid) per common share	$ -	$ -	$ -	$ 3.42	$ 6.35
Cash dividends declared (and paid) per share of Series A Preferred Stock share	$ -	$ -	$ 5.560 [11]	$ 11.125	$ 11.125

	As of December 31,				
($ in millions)	2020	2019	2018	2017	2016
Total assets	$ 16,795	$ 17,488	$ 23,659	$ 24,884	$ 29,013
Long-term debt [12]	$ -	$ 16,308	$ 16,358	$ 16,970	$ 17,560
Total shareholders' equity (deficit)	$ (4,900)	$ (4,394)	$ 1,600	$ 2,274	$ 4,519

(1) Operating results include activities of the properties in California, Texas and Florida (the CTF Operations) from the date of their acquisition from Verizon on April 1, 2016 (the CTF Acquisition).

(2) Operating results include activities of its operations in Washington, Oregon, Idaho, and Montana (Northwest Operations) from January 1, 2020 through the date of sale, May 1, 2020.

(3) Effective January 1, 2018, we adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, "Revenue from Contracts with Customers," as modified (ASC 606) using the modified retrospective method. Under this approach, prior period results were not restated to reflect the impact of ASC 606, resulting in limited comparability between 2019, 2018, and results in years prior to adoption.

(4) Operating results include pre-tax acquisition and integration costs of $25 million ($16 million after tax) and $436 million ($283 million after tax) for 2017 and 2016, respectively.

(5) Operating results include pre-tax restructuring costs and other charges of $87 million ($64 million after tax), $168 million ($128 million after tax), $35 million ($27 million after tax), $82 million ($52 million after tax) and $91 million ($59 million after tax) for 2020, 2019, 2018, 2017, and 2016, respectively.

(6) Operating results include pre-tax pension settlement costs of $159 million ($122 million after tax), $57 million ($43 million after tax), and $41 million ($31 million after tax for 2020, 2019 and 2018, respectively.

(7) Operating results include pre-tax goodwill impairment charges of $5,725 million ($5,201 million after tax), and $641 million ($568 million after tax) for 2019 and 2018, respectively.

(8) Operating results include pre-tax loss on the disposal of Northwest Operations of $162 million ($118 million after tax), and $466 million ($466 million after tax) for 2020 and 2019, respectively.

(9) Operating results include the pre-tax impacts of gains (losses) on retirement of debt of ($72) million ($41 million after tax), ($20) million ($16 million after tax), and $32 million ($24 million after tax) for 2020, 2019 and 2018, respectively.

(10) Operating results include pre-tax Reorganization items, net, of $409 million ($361 million net of tax) for 2020.

(11) Represents dividends on the Series A Preferred Stock, from January 1, 2019 through the conversion date of June 29, 2019.

(12) The filing of the Chapter 11 Cases constituted an event of default that accelerated substantially all of our debt obligations. As such we have reclassified $5,781 million to Long term debt due within one year and unsecured debt obligations of $10,949 million to Liabilities subject to compromise on our consolidated balance sheet as of December 31, 2020.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations
Introduction

Overview
Frontier Communications Corporation (we, us, our, Frontier, or the Company, and following the reorganization pursuant to the Plan (as defined below), the Reorganized Company) is a leading provider of communications services in the United States. As of December 31, 2020, Frontier operates in 25 states and serves approximately 3.6 million customers, including 3.1 million broadband subscribers. We provide a broad portfolio of communications services, including data and internet services, video services, voice services, access services, and advanced hardware and network solutions for our consumer and commercial customers.

Following in-depth analysis and engagement with our stakeholders, we are pursuing a transformative restructuring process focused on restructuring the balance sheet, improving Frontier's operations to better serve our customers, strategically repositioning Frontiers' business to expand our fiber footprint nationally, and improving our leadership team through the acquisition of key talent.

Balance Sheet Restructuring
On April 14, 2020, Frontier and its subsidiaries (collectively, the Company Parties or the Debtors and, as they may be reorganized pursuant to the Plan, the Reorganized Company Parties or the Reorganized Debtors) entered into a Restructuring Support Agreement (the Restructuring Support Agreement) with certain of its noteholders (the Consenting Noteholders) to facilitate the financial restructuring (the Restructuring) of the existing debt of, existing equity interests in, and certain other obligations of the Company Parties. In connection therewith, on April 14, 2020 (the Petition Date), the Company Parties commenced cases under chapter 11 (the Chapter 11 Cases) of title 11 of the United States Code (the Bankruptcy Code) in the U.S. Bankruptcy Court for the Southern District of New York (the Bankruptcy Court).

On May 15, 2020, the Company Parties filed a proposed Joint Plan of Reorganization and related Disclosure Statement, each of which were amended on June 26, 2020, June 29, 2020 and June 30, 2020. On May 15, 2020, the Debtors also filed a proposed order approving the Disclosure Statement and various plan solicitation materials, including the solicitation and voting procedures, which was revised on June 29, 2020 (including modifications to some of the exhibits). On June 30, 2020, the Bankruptcy Court entered the modified order approving the adequacy of the Disclosure Statement and the solicitation and notice procedures and the forms of voting ballots and notices in connection therewith. The order established June 29, 2020 as the voting record date, July 2, 2020 as the solicitation launch date and July 31, 2020 as the voting deadline. On August 21, 2020, the Company Parties filed the *Fifth Amended Joint Plan of Reorganization of Frontier Communications Corporation and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* (the Plan) with the Bankruptcy Court.

On August 27, 2020, the Bankruptcy Court entered the *Order Confirming the Fifth Amended Joint Plan of Reorganization of Frontier Communications Corporation and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* (the Confirmation Order), which approved and confirmed the Plan. The effective date of the Plan will occur once all conditions precedent to the Plan have been satisfied (the Effective Date).

Upon emergence from the Chapter 11 Cases, execution of the Plan will accomplish three strategic goals:
- Enable Frontier to become a stronger partner for customers to keep them connected to what matters most.
- Provide significant financial flexibility to accelerate transformation, invest in infrastructure, and drive operational efficiencies.
- Significantly improve Frontier's capital structure and reduce outstanding debt by more than $10 billion.

We expect to emerge from bankruptcy with a meaningfully deleveraged balance sheet and ample liquidity, through a reduction of debt and annual interest expense that will provide financial flexibility to pursue operational and strategic initiatives.

During the Chapter 11 Cases, Frontier is allowed to reorganize its finances while the business operations continue. The Company Parties continue to operate their businesses and manage their properties as "debtors-in-possession" under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code and orders of the Bankruptcy Court. For further developments on this topic, see "(b) Liquidity and Capital Resources—Chapter 11 Cases and Other Related Matters."

2020 Results
During the year ended December 31, 2020, Frontier reported operating income of $959 million and a net loss of $402 million. This compares to an operating loss of $4,873 million and a net loss of $5,911 million reported for the year ended December 31, 2019. Our 2020 results reflect $409 million of reorganization charges, a $162 million loss related to the sale our Northwest Operations described above, and $762 million of interest expense. Our 2019 results reflected goodwill impairment charges of $5,725 million, Interest expense of $1,535 million, a $446 million loss related to the sale of our Northwest Operations, and $168 million of Restructuring costs and other charges.

Reductions in certain expenses were the primary drivers for the improvement in our Operating Loss and Net Loss year over year. Reductions in our recognized goodwill impairment charges, losses related to the sale of our Northwest Operations, Restructuring and other costs, and interest expense, more than offset increases in Reorganization items, in 2020 compared to 2019. Our lower interest expense was a result of contractual interest attributable to our unsecured noteholders of $720 million that was not recorded, as we do not expect those amounts to be paid.

Going Concern
In connection with the preparation of our consolidated financial statements, we conducted an evaluation as to whether there were conditions and events, considered in the aggregate, which raised substantial doubt as to the Company's ability to continue as a going concern. As reflected in our consolidated financial statements, the Company had unrestricted cash and cash equivalents of $1,829 million and an accumulated deficit of $8,975 million as of December 31, 2020.

Our ability to continue as a going concern is contingent upon, among other things, our ability to, subject to the Bankruptcy Court's approval, implement the Plan, successfully emerge from the Chapter 11 Cases and generate sufficient liquidity from the Restructuring to meet our obligations and operating needs. As a result of risks and uncertainties related to (i) the Company's ability to successfully consummate the Plan and emerge from the Chapter 11 Cases, and (ii) the effects of disruption from the Chapter 11 Cases making it more difficult to maintain business, financing and operational relationships, together with the Company's recurring losses from operations and accumulated deficit, substantial doubt exists regarding our ability to continue as a going concern.

See Note 1 of the Notes to Consolidated Financial Statements for further discussion of the Company's ability to continue as a going concern. See "—(b) Liquidity and Capital Resources" and Note 3 of the Notes to Consolidated Financial Statements for more information on the Restructuring and our limited liquidity.

Recent Events

Divestiture of Northwest Operations
On May 1, 2020, we completed the sale of our Northwest Operations for gross proceeds of $1,352 million, subject to certain closing adjustments. Net of funding certain pension and other retiree medical liabilities, funding certain escrows and other closing adjustments, we received $1,131 million in proceeds.

DIP Financing
On August 28, 2020, the Company Parties filed a motion (the DIP Financing Motion) with the Bankruptcy Court to approve the indentures, credit guarantee and security documents governing the obligations under senior secured superpriority first lien and/or second lien notes to be issued by the Company or an affiliate thereof, a debtor-in-possession (DIP) revolving facility and the exit revolving facility (the Exit Revolving Facility) it would convert into upon satisfaction of certain conditions, including the effectiveness of the Plan, a DIP term loan facility and the exit term loan facility it would convert into upon satisfaction of certain conditions, including the effectiveness of the Plan (the Exit Term Loan Facility) and, if applicable, the reinstated prepetition $1,740 million senior secured term loan B facility (the Term Loan B) due June 15, 2024 (collectively, the DIP Financing). On September 17, 2020, the Bankruptcy Court entered the final order approving the DIP Financing Motion.

Debt Refinancing
On September 17, 2020, we repaid the $749 million of outstanding principal under the Company's $850 million secured revolving credit facility maturing on February 27, 2024 (the Revolver), plus accrued interest. The repayment in full of all revolving loans outstanding under the JPM Credit Agreement was a condition precedent to the entry into the DIP Revolving Facility (defined below), and the Revolver was terminated on October 8, 2020 upon entry into the DIP revolving Facility.

In connection with the DIP Financing, on October 8, 2020, we issued $1,150 million aggregate principal amount of 5.875% First Lien Secured Notes due October 15, 2027 (the First Lien Notes due October 2027), and entered into a $625 million DIP revolving facility (the DIP Revolving Facility) and a $500 million DIP term loan facility (the Initial DIP Term Loan Facility). We used the proceeds from the offering of the First Lien Notes due October 2027, together with the proceeds of the Initial DIP Term Loan Facility and cash on hand, to (i) repay in full our prepetition $1,650 million aggregate principal amount of 8.000% First Lien Secured Notes due April 1, 2027 (the Original First Lien Notes) and (ii) pay related interest, fees and expenses.

In connection with the DIP Financing, on November 25, 2020, we also issued $1,550 million aggregate principal amount of 5.000% First Lien Secured Notes due May 1, 2028 (the First Lien Notes due May 2028 and, together with the First Lien Notes due October 2027, the New First Lien Notes) and $1,000 million aggregate principal amount of 6.750% Second Lien Secured Notes due May 1, 2029 (the New Second Lien Notes and, together with the New First Lien Notes, the Secured Notes), and borrowed an incremental $750 million pursuant to the Incremental DIP Term Loan Facility. We used the proceeds from these issuances and the incremental term loan borrowing, together with cash on hand to (i) repay all outstanding borrowings under the Term Loan B, (ii) repay in full the $1,600 million aggregate principal amount of prepetition 8.500% Second Lien Secured Notes due April 1, 2026 (the Original Second Lien Notes), and (iii) pay related interest, fees and expenses incurred in connection therewith.

RDOF Auction Results
The FCC held the RDOF Phase I auction from October 29, 2020 through November 25, 2020 and announced the results on December 7, 2020. Frontier won approximately $371 million over ten years to build gigabit-capable broadband over a fiber-to-the-premises network to approximately 127,000 locations across eight states (California, Connecticut, Florida, Illinois, New York, Pennsylvania, Texas, and West Virginia). Frontier submitted its Long Form application to the FCC on January 29, 2021 and, assuming the long-form application is granted by the FCC, anticipates that it will begin receiving funding on January 1, 2022, in which case, Frontier will be required to complete the buildout to these locations by December 31, 2027, with interim target milestones over this period.

Impact of COVID-19 Pandemic
While overall the operational and financial impacts to our business of the COVID-19 pandemic for the year ended December 31, 2020 were not significant, we continue to closely monitor the ongoing impact to our employees, our customers, our business and our results of operations. We have experienced a slowdown in service activations and an increase in deactivations for our SMB customers; to date, these negative impacts have been partially offset by higher net residential activations and lower churn. We also continue to closely track our customers' payment activity as well as external factors, including the expiration of federal stimulus legislation which could materially impact payment trends. With more people working from home, we have experienced higher demands on our network and higher net activations for our residential broadband service offering. This sustained increase in network demand could lead to reduced network availability and potential outages, which may impair our ability to meet customer service level commitments, lead to higher costs, higher customer churn and potential increased regulatory actions. These potential changes, among others, could have a material financial impact to Frontier. See *"Risk Factors – Risks Related to our Business - The effects of COVID-19, including its impact on market conditions, may adversely impact our business and hinder our exit financing and our ability to emerge from Chapter 11"* and Note 1 of the Notes to Consolidated Financial Statements for further discussion of the COVID-19 Pandemic.

Presentation of Results of Operations

The sections below include tables that present customer counts, average monthly consumer revenue per customer (ARPC) and consumer customer churn. We define churn as the number of consumer customer deactivations during the month divided by the number of consumer customers at the beginning of the month and utilize the average of each monthly churn in the period.

Management believes that consumer customer counts and average monthly consumer revenue per customer are important factors in evaluating our consumer customer trends. Among the key services we provide to consumer customers are voice service, data service and video service. We continue to explore the potential to provide additional services to our customer base, with the objective of meeting our customers' communications needs.

On November 19, 2020, the SEC issued a final rule that modernizes and simplifies Management's Discussion and Analysis (MD&A) and certain financial disclosure requirements in SEC Regulation S-K. The changes include the elimination of Regulation S-K, Item 301, "Selected Financial Data", Simplification of Regulation S-K, Item 302, "Supplementary Financial Information", Amendments to certain aspects of Regulation S-K, Item 303, "Management's Discussion and Analysis of Financial Condition and Results of Operations." The rule is effective February 10, 2021, but compliance is not required until the annual report for the fiscal year ending on or after August 9, 2021, with early adoption permitted. We have not adopted these changes in our MD&A disclosures as of December 31, 2020.

The following section should be read in conjunction with the consolidated financial statements and related notes appearing elsewhere in this Annual Report on Form 10-K.

(a) Results of Operations

2020 compared to 2019
Unless otherwise indicated, the discussion of the customer metrics and components of operating income that follows relates only to the Remaining Properties.

Customer Trends

	As of or for the year ended						
	December 31, 2020			December 31, 2019			% Change
	Consolidated Frontier	Northwest Ops	Remaining Properties	Consolidated Frontier	Northwest Ops	Remaining Properties	Remaining Properties
Customers (in thousands)	3,571	N/A	N/A	4,118	N/A	N/A	N/A
Consumer customer metrics							
Customers (in thousands)	3,264	-	3,264	3,747	335	3,412	(4)%
Net customer additions (losses)	(483)	(335)	(148)	(313)	(23)	(290)	(49)%
Average monthly consumer revenue per customer	$ 86.65	$ 76.74	$ 86.97	$ 88.70	$ 77.23	$ 89.82	(3)%
Customer monthly churn	1.73%	1.51%	1.74%	2.07%	1.74%	2.11%	(18)%
Commercial customer metrics							
Customers (in thousands)	307	N/A	N/A	371	N/A	N/A	N/A
Broadband subscriber metrics (in thousands)							
Broadband subscribers	3,069	-	3,069	3,513	302	3,211	(4)%
Net subscriber additions (losses)	(444)	(302)	(142)	(222)	(16)	(206)	(31)%
Video (excl. Dish) subscriber metrics (in thousands)							
Video subscribers (in thousands)	485	-	485	660	29	631	(23)%
Net subscriber additions (losses)	(175)	(29)	(146)	(178)	(9)	(169)	(14)%
Dish subscriber metrics (in thousands)							
Dish subscribers (in thousands)	134	-	134	173	17	156	(14)%
Net subscriber additions (losses)	(39)	(17)	(22)	(32)	(3)	(29)	(24)%
Employees	16,200	-	16,200	18,317	950	17,367	(7)%

We provide service and product options in our consumer and commercial offerings in each of our markets.

Consumer Customers
For the year ended December 31, 2020, Frontier lost 148,000, or 4% of our consumer customers, compared to 290,000, or 8% in 2019. As of December 31, 2020, 50% of our consumer broadband customers also subscribed to at least one other service offering. We lost 2% of our consumer broadband subscribers, with losses of copper broadband subscribers (primarily to competitors offering higher speeds), partially offset by gains in fiber broadband subscribers (six consecutive quarters of fiber broadbands subscriber gains). We experienced a 21% decline in our video subscribers primarily as a result of customers increasingly opting for other video services including Over the Top, in lieu of traditional video services. We also shifted our focus away from the acquisition of higher cost video customers. During 2020, we lost voice subscribers as a result of customers choosing alternative voice products and reduced attachment to broadband services.

Our average monthly consumer customer churn was 1.74% for the year ended December 31, 2020 compared to 2.11% for 2019. The consolidated average monthly consumer revenue per customer (consumer ARPC) decreased by $2.85 or 3% to $86.97 during 2020 compared to the prior year. The overall decrease in consumer ARPC is primarily a result of a decreased percentage of customers taking linear video services along with decreased consumer voice services, slightly offset by increased data equipment revenues.

Financial Results

	For the year ended							
	December 31, 2020			December 31, 2019			% Change	
	Consolidated Frontier	Northwest Ops [1]	Remaining Properties	Consolidated Frontier	Northwest Ops [2]	Remaining Properties	Consolidated Frontier	Remaining Properties
Data and Internet services	$ 3,478	$ 102	$ 3,376	$ 3,756	$ 310	$ 3,446	-7%	-2%
Voice services	2,085	57	2,028	2,500	185	2,315	-17%	-12%
Video services	789	13	776	1,005	46	959	-21%	-19%
Other	429	12	417	477	39	438	-10%	-5%
Revenue from contracts with customers	6,781	184	6,597	7,738	580	7,158	-12%	-8%
Subsidy and other revenue	374	8	366	369	25	344	1%	6%
Revenue	7,155	192	6,963	8,107	605	7,502	-12%	-7%
Operating expenses [3]:								
Network access expenses	975	14	961	1,247	51	1,196	-22%	-20%
Network related expenses	1,726	26	1,700	1,810	78	1,732	-5%	-2%
Selling, general and administrative expenses	1,648	26	1,622	1,804	73	1,731	-9%	-6%
Depreciation and amortization	1,598	-	1,598	1,780	60	1,720	-10%	-7%
Goodwill impairment	-	-	-	5,725	-	5,725	-100%	-100%
Loss on disposal of Northwest Operations	162	-	162	446	-	446	-64%	-64%
Restructuring costs and other charges	87	-	87	168	2	166	-48%	-48%
Total operating expenses	$ 6,196	$ 66	$ 6,130	$ 12,980	$ 264	$ 12,716	-52%	-52%
Operating income (loss)	959	126	833	(4,873)	341	(5,214)	-120%	-116%
Consumer	3,586	102	3,484	4,153	322	3,831	-14%	-9%
Commercial	3,195	82	3,113	3,585	258	3,327	-11%	-6%
Revenue from contracts with customers	6,781	184	6,597	7,738	580	7,158	-12%	-8%
Subsidy and other revenue	374	8	366	369	25	344	1%	6%
Total revenue	$ 7,155	$ 192	$ 6,963	$ 8,107	$ 605	$ 7,502	-12%	-7%

(1) Amounts represent the financial results of the Northwest Operations for the four months ended April 30, 2020.
(2) Amounts represent the financial results of the Northwest Operations for the year ended December 31, 2019.
(3) Operating expenses for the Northwest Operations do not include allocated expenses which are included in operating expenses for our Remaining Properties.

The following charts present key customer metrics, disaggregation of revenue, and the results of operations of the consolidated company excluding the Northwest Operations (Northwest Ops) through the date of sale. The results of operations for the Northwest Operations are shown separate from the total for our operations located in the remaining 25 states (Remaining Properties).

REVENUE

($ in millions)	For the year ended December 31, 2020	2019	$ Increase (Decrease)	% Increase (Decrease)
Data and Internet services	$ 3,376	$ 3,446	$ (70)	(2)%
Voice services	2,028	2,315	(287)	(12)%
Video services	776	959	(183)	(19)%
Other	417	438	(21)	(5)%
Revenue from contracts with customers [1]	6,597	7,158	(561)	(8)%
Subsidy revenue	366	344	22	6 %
Total revenue	$ 6,963	$ 7,502	$ (539)	(7)%

($ in millions)	For the year ended December 31, 2020	2019	$ Increase (Decrease)	% Increase (Decrease)
Consumer	$ 3,484	$ 3,831	$ (347)	(9)%
Commercial	3,113	3,327	(214)	(6)%
Revenue from contracts with customers [1]	6,597	7,158	(561)	(8)%
Subsidy revenue	366	344	22	6 %
Total revenue	$ 6,963	$ 7,502	$ (539)	(7)%

[1] Includes $67 million and $65 million of lease revenue for the years ended December 31, 2020 and 2019, respectively.

We generate revenues primarily through either a monthly recurring fee or a fee based on usage, and revenue recognition is not dependent upon significant judgments by management, with the exception of a determination of the provision for uncollectible amounts.

The 9% decrease in consumer customer revenue was primarily due to the 4% decline in consumer customers combined with lower consumer ARPC (as described above) resulting in reduced revenues for consumer voice services, video services, and to a lesser extent, data and internet services revenue.

The 6% decrease in commercial customer revenue was primarily driven by a 2% reduction in wholesale revenues which comprise approximately 53% of our commercial revenues. The decline in wholesale revenues is primarily a result of rate declines for our network access services. Our SME revenues that comprise the remaining commercial revenue decreased 10% primarily as a result of a 17% decline in small business customers in 2020.

The increases in subsidy and other revenue, were driven primarily by transition services provided in connection with the divestiture of the Northwest Operations for the six month period following the May 1, 2020 sale date. This increase was partially offset by scheduled reductions in subsidy funding levels, primarily funding related to CAF Phase II subsidies.

We categorize our products, services, and other revenues into the following five categories:

Data and Internet services
Data and internet services revenue for the year ended December 31, 2020 decreased 2% as compared with 2019. Broadband and data services revenues comprise 61% or $2,068 million of total Data and internet services revenue, while network access revenues comprise 39% or $1,308 million. Network access revenues include our data transmission services to high volume commercial customers and other carriers with dedicated high capacity circuits including services to wireless providers (wireless backhaul).

Broadband and data services revenue decreased by $36 million, or 2%, primarily driven by a loss of SME customers combined with decreased other data services revenue. Network access revenues declined $34 million, or 3%, due to the migration of our carrier customers from legacy technology circuits to lower priced ethernet circuits.

We expect wireless data usage to continue to increase, which may drive the need for additional wireless backhaul capacity. Despite the need for additional capacity, in the near term, we anticipate that our overall wireless backhaul revenues (which comprise approximately 2.5% of consolidated total revenues) will continue to decline in 2021, as our carrier customers migrate to ethernet solutions at lower price points or migrate to our competitors.

Voice services
Voice services include traditional local and long-distance wireline services, data-based Voice over Internet Protocol (VoIP) services, as well as voice messaging services offered to our consumer and commercial customers. Voice services also include the long-distance voice origination and termination services that we provide to our commercial customers and other carriers.

The decrease of 12% in voice services revenue was primarily due to continued declines in both consumer and commercial customers, combined with a reduction in voice services being bundled with broadband services.

Video services
Video services include revenues generated from services provided directly to consumer customers as linear terrestrial television services, and through Dish satellite TV services.

The decrease of 19% in video services revenue was primarily due to 23% net loss in linear video customers, partially offset by price increases.

Other
Other customer revenue includes switched access revenue and sales of CPE to our business customers as well as directory services. Switched access revenue includes revenues derived from allowing other carriers to use our network to originate and/or terminate their local and long-distance voice traffic (switched access). These services are primarily billed on a minutes-of-use basis applying tariffed rates filed with the FCC or state agencies.

The decrease of $21 million, or 5%, in other revenue was primarily driven by a decrease in switched access revenue due to the reduced rates mandated by the Universal Service Fund/Intercarrier Compensation Report and Order as well as a 7% reduction in minutes of use. Since we are a consumer of switched access services on other carriers, we also benefited from the lower mandated rates within network access expense. Lower CPE sales, lower service activation associated fees, and less directory revenue also contributed to the decline in other revenue. These declines were partially offset by lower provisions for uncollectibles and higher late payment fees.

Subsidy and other revenue
Subsidy and other revenue includes revenue generated from cost subsidies from state and federal authorities, including the Connect America Fund Phase II as well as revenue generated from the transition services provided in connection with our divestiture of the Northwest Operations.

The increases in subsidy and other revenue, were driven primarily by $30 million in transition services provided to the purchaser of the Northwest Operations for the six month period following the May 1, 2020 sale date. This increase was partially offset by scheduled reductions in subsidy funding levels, primarily funding related to CAF Phase II subsidies.

2020 OPERATING EXPENSES COMPARED TO 2019

NETWORK ACCESS EXPENSE

($ in millions)	For the year ended December 31, 2020	2019	$ Increase (Decrease)	% Increase (Decrease)
Network access expenses	$ 961	$ 1,196	$ (235)	(20)%

Network access expenses include access charges and other third-party costs directly attributable to connecting customer locations to our network, and video content costs. Such access charges and other third-party costs exclude network related expenses, depreciation and amortization, and employee related expenses.

The decrease in network access expenses was primarily due to lower video content costs as a result of a decline in video customers and non-renewal of certain content agreements as well as decreased CPE costs.

NETWORK RELATED EXPENSES

($ in millions)	For the year ended December 31, 2020	2019	$ Increase (Decrease)	% Increase (Decrease)
Network related expenses	$ 1,700	$ 1,732	$ (32)	(2)%

Network related expenses include expenses associated with the delivery of services to customers and the operation and maintenance of our network, such as facility rent, utilities, maintenance and other costs, as well as salaries, wages and related benefits associated with personnel who are responsible for the delivery of services, and the operation and maintenance of our network.

The decrease in network related expenses was primarily due to decreased compensation costs related to lower employee headcount, slightly offset by the abandonment of certain in-progress capital projects during 2020.

SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES

($ in millions)	For the year ended December 31, 2020	2019	$ Increase (Decrease)	% Increase (Decrease)
Selling, general and administrative expenses	$ 1,622	$ 1,731	$ (109)	(6)%

Selling, general and administrative expenses (SG&A expenses) include the salaries, wages and related benefits and costs of corporate and sales personnel, travel, insurance, non-network related rent, advertising and other administrative expenses.

The decrease in SG&A expenses was primarily driven by decreased compensation costs related to lower employee headcount and reduced property taxes.

Pension and OPEB costs
Frontier allocates pension/OPEB expense, which includes only service costs, to network related expenses and SG&A expenses. Total consolidated pension and OPEB expense, excluding pension settlement costs and pension/OPEB special termination benefit enhancements, for the years ended December 31, 2020 and 2019 were as follows:

	For the year ended December 31,	
($ in millions)	2020	2019
Total pension/OPEB expenses	$ 115	$ 102
Less: costs capitalized into capital expenditures	(25)	(24)
Net pension/OPEB expense	$ 90	$ 78

DEPRECIATION AND AMORTIZATION

	For the year ended December 31,		$ Increase	% Increase
($ in millions)	2020	2019	(Decrease)	(Decrease)
Depreciation expense	$ 1,255	$ 1,287	$ (32)	(2)%
Amortization expense	343	433	(90)	(21)%
	$ 1,598	$ 1,720	$ (122)	(7)%

Depreciation and amortization expense for the year ended December 31, 2020 decreased as compared to 2019. The decrease in depreciation expense was primarily driven by lower asset bases (refer to Note 6). The decrease in amortization expense was primarily driven by the accelerated method of amortization related to customer bases acquired in 2010, 2014, and 2016.

GOODWILL IMPAIRMENT

All goodwill was either fully impaired as of December 31, 2019 or disposed of in connection with the sale of our Northwest Operations on May 1, 2020. As such, there were no goodwill impairment charges for the year ended December 31, 2020.

We recorded goodwill impairments totaling $5,725 million for the year ended December 31, 2019. The impairment in the second and third quarters of 2019 reflected a lower enterprise valuation driven by lower profitability, as well as a reduction in the applicable market multiple from 5.3x EBITDA at December 31, 2018 to the 4.4x EBITDA utilized during our quantitative assessments in 2019. This reflected, among other things, pressures on our business resulting in the continued deterioration in revenue, challenges in achieving improvements in revenue and customer trends under our transformation initiative, the long-term sustainability of our capital structure, and the lower outlook of our industry as a whole.

LOSS ON DISPOSAL OF NORTHWEST OPERATIONS

As a result of our evaluation of recoverability of the carrying value of the assets and liabilities held for sale relative to the agreed upon sales price, adjusted for costs to sell, we recorded a loss on disposal of our Northwest Operations of $162 million and $446 million during the years ended December 31, 2020 and 2019, respectively.

RESTRUCTURING COSTS AND OTHER CHARGES

($ in millions)	For the year ended December 31, 2020	2019	$ Increase (Decrease)	% Increase (Decrease)
Restructuring costs and other charges	$ 87	$ 166	$ (79)	(48) %

Restructuring costs and other charges consist of expenses related to changes in the composition of our business, including workforce reductions, transformation initiatives, other restructuring expenses, and corresponding changes to retirement plans resulting from a voluntary severance program.

In 2018, Frontier launched a strategic transformation program. This program was reduced in scope and largely completed during the first half of 2019.

For the year ended December 31, 2020, the $87 million in restructuring costs and other charges is comprised of $7 million related to severance expense, $8 million in costs related to transformation initiatives, and $72 million in consulting and advisory costs related to our balance sheet restructuring activities.

Effective with the filing of the Chapter 11 Cases, Frontier recorded all consulting and advisory costs related to our balance sheet restructuring activities outside of operating income in “Reorganization Items, net”.

OTHER NON-OPERATING INCOME AND EXPENSE

($ in millions)	For the year ended December 31, 2020	2019	$ Increase (Decrease)	% Increase (Decrease)
Investment and other loss, net	$ (43)	$ (37)	$ (6)	16 %
Pension settlement costs	$ (159)	$ (57)	$ (102)	179 %
Loss on extinguishment of debt	$ (72)	$ (20)	$ (52)	NM
Reorganization Items, net	$ (409)	$ -	$ (409)	NM
Interest expense	$ (762)	$ (1,535)	$ 773	(50)%
Income tax benefit	$ (84)	$ (611)	$ (527)	NM

NM - Not meaningful

Investment and other loss, net
Investment and other loss, net primarily relates to non-operating pension and OPEB expenses of approximately $43 million 2020 and $42 million in 2019.

Pension settlement costs
Lump sum pension settlement payments to terminated or retired individuals amounted to $465 million, which exceeded the settlement threshold of $211 million, and as a result, Frontier recognized non-cash settlement charges of $159 million and $57 million during 2020 and 2019, respectively. The non-cash charge accelerated the recognition of a portion of the previously unrecognized actuarial losses in the pension plan.

Loss on early extinguishment of debt
In 2020, Frontier recorded a loss on the early extinguishment of debt primarily driven by the write-off of unamortized original issuance costs that were retired along with the Term Loan B, the Original First Lien Notes, and the Original Second Lien Notes. In 2019, Frontier recorded a loss on the early extinguishment of debt primarily driven by the write-off of unamortized original issuance costs that were retired along with the Term Loan A and the 2016 CoBank Credit Agreement.

Reorganization items, net
The Company has incurred and will continue to incur significant costs associated with the reorganization, primarily the write-off of certain debt issuance costs and net discounts, financing costs, and legal and professional fees. Effective with the Petition Date, these costs which are expensed as incurred, are expected to significantly affect our consolidated results of operations. During 2020, Frontier incurred $409 million in reorganization costs associated with the restructuring of our balance sheet, including $137 million of professional fees, $93 million related to the write off of previously deferred financing costs for debt obligations that are subject to compromise, $121 million in debtor-in-possession financing costs related to our DIP Refinancing, and $58 million related to the Secured Creditor Settlement (as defined herein) entered into with certain of our secured lenders in August 2020.

Interest expense
Interest expense decreased $773 million, or 50%, as compared to 2019. Beginning on the Petition Date, we ceased recording interest expense for our unsecured debt. The contractual interest is $720 million higher than what we have recorded for our debt obligations for the year ended December 31, 2020.

Income tax benefit
For the year ended December 31, 2020, Frontier recorded an income tax benefit of $84 million on the pretax loss of $486 million. The effective tax rates on our pretax loss for the years ended December 31, 2020 and 2019 were 17.2% and 9.4%, respectively.

Basic and diluted net loss attributable to Frontier common shareholders
Net loss attributable to Frontier common shareholders for 2020 was $402 million, or $3.85 per share, as compared to a net loss of $5,911 million, or $56.80 per share, in 2019. For 2020, our net loss was driven by $762 million of interest expense, $409 million of reorganization charges, pension settlement costs of $159 million, and a $162 million loss related to the sale our Northwest Operations described above. For 2019, our net loss was driven by goodwill impairment charges of $5,725 million, interest expense of $1,535 million, a $446 million loss related to the sale of our Northwest Operations, and $168 million of restructuring costs and other charges.

The comparison of our operating results and financial condition for the fiscal years ended 2019 and 2018 can be found in our Form 10-K for the fiscal year ended December 31, 2019 under “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

(b) Liquidity and Capital Resources

Historically, our principal liquidity requirements have been to fund the costs of operations and expand our business, pay principal and interest obligations on our significant indebtedness, for capital expenditures to replace, upgrade, expand and improve our networks and infrastructure, and to integrate acquired businesses and to separate assets and systems for sale.

Our ability to continue as a going concern is dependent upon our ability to, subject to the Bankruptcy Court's approval, implement the Plan, successfully emerge from the Chapter 11 Cases and generate sufficient liquidity from the Restructuring to meet our obligations and operating needs. These factors, together with the Company's recurring losses from operations and accumulated deficit, create substantial doubt about the Company's ability to continue as a going concern.

Refer to "—Chapter 11 Cases and Other Related Matters" for more information on the Chapter 11 Cases and their effect on our liquidity.

Analysis of Cash Flows
As of December 31, 2020, we had unrestricted cash and cash equivalents aggregating $1,829 million. In 2020, we used cash flow from operations, cash on hand, proceeds from the sale of the Northwest Operations, and cash from prior year borrowings to principally fund all of our cash investing and financing activities, which were primarily capital expenditures and the repayment of the Revolver.

On May 1, 2020, we completed the sale of the Northwest Operations for gross proceeds of $1,352 million, subject to certain closing adjustments. Net of funding certain pension and other retiree medical liabilities, funding certain escrows and other closing adjustments, we received $1,131 million in proceeds. Revenues for the Northwest Operations represented approximately 7% of consolidated revenue the four month period ended April 30, 2020 and the twelve month period ended December 31, 2019.

As of December 31, 2020, we had a working capital deficit of $4,486 million compared to surplus of $233 million at December 31, 2019. The primary driver for the working capital deficit at December 31, 2020 was the acceleration of the maturities of our long-term debt that resulted from our filing of the Chapter 11 Cases.

Cash Flows provided from Operating Activities

Cash flows provided by operating activities increased $481 million to $1,989 million in 2020 as compared to 2019. The overall increase in operating cash flows was the result of favorable changes in working capital, primarily attributable to withholding payment of pre-petition trade accounts payable subsequent to the filing of the Chapter 11 Cases as well as a reduction in cash payments for interest as compared to the comparative period in 2019.

We paid $8 million and $4 million in net cash taxes during the years ended December 31, 2020 and 2019, respectively.

Cash Flows used by Investing Activities

Cash flows used by investing activities decreased $1,115 million to $19 million for the year ended December 31, 2020 as compared to the corresponding period in 2019. The primary driver of this decrease was the impact of cash proceeds of $1,131 million received for the sale of the Northwest Operations.

Capital Expenditures
In 2020 and 2019, our capital expenditures were, $1,181 million and $1,226 million, respectively. This reduction in capital expenditures was primarily driven by delays in payments for certain prepetition capital expenditures following the filing of the Chapter 11 Cases.

Cash Flows provided from (used by) Financing Activities

Cash flows provided from (used by) financing activities increased $925 million to $893 million for the year ended December 31, 2020 as compared to 2019. The primary driver of this increase was the repayment of the Revolver.

DIP Financing Costs
In connection with the filing of the Chapter 11 Cases, Frontier recorded approximately $121 million in financing costs related to the issuance of the DIP Financing for the year ended December 31, 2020.

Debt Issuances and Debt Reductions
On September 17, 2020, Frontier repaid the $749 million of outstanding principal under the Revolver, plus accrued interest. The repayment in full of all revolving loans outstanding under the JPM Credit Agreement was a condition precedent to the entry into the DIP Revolving Facility.

On October 8, 2020, the Company issued $1,150 million aggregate principal amount of First Lien Notes due October 2027 and entered into a $625 million DIP Revolving Facility and the $500 million Initial DIP Term Loan Facility. The Company used the proceeds from the offering, together with the proceeds of the Initial DIP Term Loan Facility and cash on hand, to (i) repay in full the Company's $1,650 million aggregate principal amount of Original First Lien Notes and (ii) pay related interest, fees and expenses.

On November 25, 2020, the Company issued $1,550 million aggregate principal amount of First Lien Notes due May 2028 and $1,000 million aggregate principal amount of New Second Lien Notes and borrowed an incremental $750 million pursuant to the Incremental DIP Term Loan Facility. The Company used the proceeds from the issuances, together with the incremental term loan borrowing and cash on hand to (i) repay all outstanding borrowings under our Term Loan B, (ii) repay in full the $1,600 million aggregate principal amount of the Original Second Lien Notes, and (iii) pay related interest, fees and expenses incurred in connection therewith. See "Capital Resources" and Note 9 of the consolidated financial statements for additional details related to the DIP Revolving Facility and the DIP Term Loan Facility.

On March 15, 2019, we completed a private offering of $1,650 million aggregate principal amount of the Original First Lien Notes. The proceeds from the offering of Original First Lien Notes, together with cash on hand, was used to (i) repay in full the outstanding borrowings under the senior secured Term Loan A facility under the JPM Credit Agreement (as defined below), (ii) repay in full the outstanding borrowings under the 2016 CoBank Credit Agreement (as defined below), and (iii) pay related interest, fees and expenses. As discussed above, the Original First Lien Notes were repaid in full in the fourth quarter of 2020.

During the year ended December 31, 2019, Frontier used cash on hand for the scheduled retirement of $363 million principal amount of senior indebtedness. In addition, Frontier used the proceeds from the offering of Original First Lien Notes, together with cash on hand, to (i) repay in full the outstanding borrowings under the senior secured term loan A facility under the JPM Credit Agreement, which otherwise would have matured in March 2021, (ii) repay in full the outstanding borrowings under the 2016 CoBank Credit Agreement, which otherwise would have matured in October 2021, and (iii) pay related interest, fees and expenses.

See "—Chapter 11 Cases and Other Related Matters—DIP Financing" for more information about the DIP Financing.

The comparison of our cash flows from operations, cash flows from investing, and cash flows from financing for the fiscal years ended December 31, 2019 and 2018 can be found in our Form 10-K for the fiscal year ended December 31, 2019 under "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations."

Capital Resources

Historically, a substantial portion of our liquidity needs arise from debt service on our outstanding indebtedness and from funding the costs of operations, working capital and capital expenditures. Our primary sources of cash are cash flows from operations, cash on hand and proceeds from debt borrowings, including issuances of long-term debt and our $625 million undrawn borrowing capacity under the DIP Revolving Facility (as reduced by $90 million of Letters of Credit.) We have assessed our current and expected funding requirements and our current and expected sources of liquidity, and have determined, based on our forecasted financial results and financial condition as of December 31, 2020, that our operating cash flows and existing cash balances, will be adequate to finance our working capital requirements, fund capital expenditures, make required debt interest and principal payments due under the Plan, pay taxes and make other payments due under the Plan. A number of factors, including but not limited to, losses of customers, pricing pressure from increased competition, lower subsidy and switched access revenues, and the impact of economic conditions may negatively affect our cash generated from operations. We completed the sale of the Northwest Operations on May 1, 2020. Net of pension funding, certain escrows, and other closing adjustments, we received $1,131 million in proceeds.

However, our ability to continue as a going concern is dependent upon our ability to successfully emerge from the Chapter 11 Cases and generate sufficient liquidity from the Restructuring to meet our obligations and operating needs. Refer to "—*Chapter 11 Cases and Other Related Matters*" for more information on the terms of the Restructuring Support Agreement, the Chapter 11 Cases and the effects of both on our liquidity.

Term Loan and Revolving Credit Facilities and New Secured Notes

DIP Revolving Facility

On October 8, 2020, Frontier entered into the DIP Revolving Facility, pursuant to the senior secured superpriority debtor-in-possession credit agreement, dated as of October 8, 2020, by and among Frontier, as the borrower and a debtor and debtor-in-possession under Chapter 11 of the Bankruptcy Code, Goldman Sachs Bank USA, as administrative agent, JP Morgan Chase Bank, N.A., as collateral agent and each lender and issuing bank from time to time party thereto.

The DIP Revolving Facility has a maturity of the earlier of (x) the date that is twelve months after the closing date of the DIP Revolving Facility and (y) the date of the substantial consummation of the Plan; provided that to the extent such substantial consummation has not occurred on or prior to the date referred to in the foregoing clause (x), primarily because any condition precedent set forth therein with respect to the procurement of regulatory approvals has not been satisfied (and other than any other conditions that by their nature can only be satisfied on the consummation date), the maturity date shall be extended by an additional six months.

At our election, the determination of interest rates for the DIP Revolving Facility is based on margins over the alternate base rate or over LIBOR. The interest rate with respect to any LIBOR loan is 3.250% (or 2.250% for alternate base rate loans).

Subject to customary exceptions and thresholds, the security package under the DIP Revolving Facility includes pledges of the equity interests in certain of our subsidiaries, which as of the issue date is limited to certain specified pledged entities, substantially all personal property of Frontier Video and substantially all of the unencumbered assets and properties of Frontier and Frontier Iowa, which such security interest in the unencumbered assets and properties was granted solely pursuant to the DIP financing order issued by the Bankruptcy Court, which same assets also secure the New First Lien Notes. The DIP Revolving Facility is guaranteed by the same subsidiaries that guarantee the New First Lien Notes. After giving effect to $90 million of letters of credit formerly outstanding under the Revolver that were rolled into, replaced or otherwise accommodated for under the DIP Revolving Facility, the Company has $535 million of available borrowing capacity under the DIP Revolving Facility.

Upon the conversion date, subject to certain conditions, the DIP Revolving Facility shall convert into the Exit Revolving Facility with an aggregate principal amount of $625 million. The Exit Revolving Facility will be available on a revolving basis during the period commencing on the conversion date and ending on the date that is the earlier of (x) 4 years after the conversion date and (y) 91 days prior to the earliest maturity date of permitted pari passu refinancing debt, permitted junior refinancing debt, the term loans outstanding under the prepetition credit agreement after giving effect to the consummation of the Plan (or any indebtedness that replaces or refinances such term loans) and any long term exit facilities so long as, in each case, the outstanding principal amount of any such indebtedness is in excess of an amount set forth in the definitive documentation with respect to the Exit Revolving Facility. The determination of

interest rates for the Exit Revolving Facility is based on margins over the alternate base rate or over LIBOR, at our election. The interest rate with respect to any LIBOR loan is 3.500% (or 2.500% for alternate base rate loans).

DIP Term Loan Facility
On October 8, 2020, Frontier entered into a credit agreement with JPMorgan Chase Bank, N.A., as administrative agent and collateral agent and each lender from time to time party thereto (the DIP to Exit Term Credit Agreement). which provides for a senior secured superpriority DIP term loan facility in the aggregate principal amount of $500 million (the Initial DIP Term Loan Facility). On November 25, 2020, Frontier entered into an incremental amendment to the DIP to Exit Term Credit Agreement (the Incremental DIP Term Loan Amendment), which provides for an additional senior secured superpriority DIP term loan facility in the aggregate principal amount of $750 million (the Incremental DIP Term Loan Facility and, together with the Initial DIP Term Loan Facility, the DIP Term Loan Facility).

The DIP Term Loan Facility has a maturity of the earlier of (x) the date that is twelve months after the closing date of the DIP Term Loan Facility and (y) the date of the substantial consummation of the Plan; provided that to the extent such substantial consummation has not occurred on or prior to the date referred to in the foregoing clause (x), primarily because any condition precedent set forth therein with respect to the procurement of regulatory approvals has not been satisfied (and other than any other conditions that by their nature can only be satisfied on the consummation date), the maturity date shall be extended by an additional six months; provided that if certain conditions are met and the conversion date occurs, the maturity date shall be the seventh anniversary of the closing date.

At our election, the determination of interest rates for the DIP Term Loan Facility are based on margins over the alternate base rate or over LIBOR. The interest rate with respect to any LIBOR loan is 4.750% or 3.750% for alternate base rate loans, with a 1.00% LIBOR floor.

Subject to certain exceptions and thresholds, the security package under the DIP Term Loan Facility includes pledges of the equity interests in certain of our subsidiaries, which as of the issue date is limited to certain specified pledged entities, substantially all personal property of Frontier Video Services Inc., a Delaware corporation (Frontier Video), and, solely prior to the conversion date, substantially all of the unencumbered assets and properties (the DIP Collateral) of Frontier and Frontier Communications of Iowa, LLC, an Iowa limited liability company (Frontier Iowa), which such security interest in the DIP Collateral was granted solely pursuant to the DIP financing order issued by the Bankruptcy Court, which same assets also secure the New First Lien Notes. The DIP Term Loan Facility is guaranteed by the same subsidiaries that guarantee the New First Lien Notes. Upon the conversion date, the security package will no longer include the DIP Collateral.

Upon the conversion date, subject to certain conditions, the DIP Term Loan Facility shall convert into the Exit Term Loan Facility with an aggregate principal amount of $1,250 million.

Terminated JP Morgan Credit Facilities
Frontier had a prepetition term loan facility and revolving credit facility with JP Morgan Chase Bank, N.A., as administrative agent, and the lenders party thereto. As noted above, as of December 31, 2020 all outstanding amounts drawn under these facilities have been paid in full and the agreements have been terminated.

Terminated CoBank Credit Facilities
Frontier had two separate prepetition term loan facilities with CoBank, ACB, as administrative agent, lead arranger and a lender, and the other lenders. All outstanding amounts drawn under these agreements have been paid in full and the agreements were terminated on or before March 15, 2019.

Letters of Credit Facility
Frontier has a Continuing Agreement for Standby Letters of Credit with Deutsche Bank AG New York Branch (the LC Agreement). Frontier also has capacity to issue letters of credit under the DIP Revolving Credit Facility up to the full facility amount. As of December 31, 2020, $49 million and $90 million of undrawn Standby Letters of Credit had been issued under the LC Agreement and DIP Revolving Credit Facility, respectively. Letters of credit under the LC Agreement are fully cash collateralized.

Covenants related to DIP Financing
The DIP Revolving Facility and DIP Term Loan Facility each include usual and customary negative covenants for DIP credit and DIP to exit loan agreements of this type, including covenants limiting Frontier and its restricted subsidiaries' (other than certain covenants therein which are limited to subsidiary guarantors) ability to, among other things, incur additional indebtedness, create liens on assets, make investments, loans or advances, engage in mergers, consolidations, sales of assets and acquisitions, pay dividends and distributions and make payments in respect of certain material payment subordinated indebtedness, in each case subject to customary exceptions for credit and exit loan agreements of this type.

The DIP Revolving Facility includes certain customary representations and warranties, affirmative covenants and events of default, including, but not limited to, payment defaults, breaches of representations and warranties, covenant defaults, certain events under ERISA, change of control or damage to a material portion of the collateral.

The DIP Term Loan Facility includes certain customary representations and warranties, affirmative covenants and events of default, including, but not limited to, payment defaults, breaches of representations and warranties, covenant defaults, certain events under ERISA, upon the conversion date, unstayed judgments in favor of a third party involving an aggregate liability in excess of a certain threshold, change of control, upon the conversion date, specified governmental actions having a material adverse effect or condemnation or damage to a material portion of the collateral.

First Lien Notes due October 2027
On October 8, 2020, Frontier issued $1,150 million aggregate principal amount of First Lien Notes due October 2027, which mature on October 15, 2027, and bear interest at a rate of 5.875% per annum. Interest on the First Lien Notes due October 2027 is payable to holders of record semi-annually in arrears on April 15 and October 15 of each year, commencing April 15, 2021.

The notes were issued pursuant to an indenture, dated as of October 8, 2020 (the 2027 First Lien Indenture), by and among Frontier, the guarantors party thereto, the grantor party thereto, JPMorgan Chase Bank N.A., as collateral agent and Wilmington Trust, National Association, as trustee, and were issued in a private offering exempt from the registration requirements of the Securities Act, to persons reasonably believed to be qualified institutional buyers in accordance with Rule 144A under the Securities Act and to persons outside the United States pursuant to Regulation S under the Securities Act, at a purchase price equal to 100% of the principal amount thereof.

Prior to the conversion date, the First Lien Notes due October 2027 are secured on a super-priority basis and pari passu with the DIP Revolving Facility and the DIP Term Loan Facility, subject to permitted liens and certain exceptions, by all the assets that secure Frontier's obligations under the DIP Revolving Facility and the DIP Term Loan Facility, on a super-priority basis and pari passu with the DIP Revolving Facility and the DIP Term Loan Facility. From the conversion date, the First Lien Notes due October 2027 are secured on a first-priority basis and pari passu with its senior secured credit facilities, subject to permitted liens and certain exceptions, by all the assets that secure Frontier's obligations under its senior secured credit facilities and First Lien Notes due May 2028 on a first-priority basis and pari passu with its senior secured credit facilities and First Lien Notes due May 2028.

Frontier may redeem the First Lien Notes due October 2027 at any time, in whole or in part, prior to their maturity. If the notes are redeemed before October 15, 2023 the redemption price will be equal to 100% of the aggregate principal amount thereof, together with any accrued and unpaid interest, if any, to, but not including, the redemption date, plus a make-whole premium. If the notes are redeemed on or after October 15, 2023 the redemption price will be equal to the amounts set forth in the 2027 First Lien Indenture, together with any accrued and unpaid interest to the redemption date.

In addition, at any time before October 15, 2023, Frontier may redeem up to 40% of the First Lien Notes due October 2027 using the proceeds of certain equity offerings at a redemption price equal to 105.875% of the aggregate principal amount thereof, together with any accrued and unpaid interest, if any, to, but not including, the redemption date.

In the event of a change of control triggering event, each holder of the First Lien Notes due October 2027 will have the right to require Frontier to purchase the notes at a purchase price equal to 101% of the principal amount of the First Lien Notes due October 2027, plus accrued and unpaid interest, if any, to, but not including, the date of repurchase.

First Lien Notes due May 2028
On November 25, 2020, Frontier issued $1,550 million aggregate principal amount of the First Lien Notes due May 2028, which mature on May 1, 2028, and bear interest at a rate of 5.000% per annum. Interest is payable to holders of record semi-annually in arrears on May 1 and November 1 of each year, commencing May 1, 2021.

The First Lien Notes due May 2028 were issued pursuant to an indenture, dated as of November 25, 2020 (the 2028 First Lien Indenture), by and among Frontier, the guarantors party thereto, the grantor party thereto, JPMorgan Chase Bank N.A., as collateral agent and Wilmington Trust, National Association, as trustee, and were issued in a private offering exempt from the registration requirements of the Securities Act, to persons reasonably believed to be qualified institutional buyers in accordance with Rule 144A under the Securities Act and to persons outside the United States pursuant to Regulation S under the Securities Act, at a purchase price equal to 100% of the principal amount thereof.

Prior to the conversion date, the First Lien Notes due May 2028 are secured on a super-priority basis and pari passu with the DIP Revolving Facility and DIP Term Loan Facility, subject to permitted liens and certain exceptions, by all the assets that secure Frontier's obligations under the DIP Revolving Facility and the DIP Term Loan Facility, on a super-priority basis and pari passu with the DIP Revolving Facility and DIP Term Loan Facility. From the conversion date, the First Lien Notes due May 2028 are secured on a first-priority basis and pari passu with its senior secured credit facilities, subject to permitted liens and certain exceptions, by all the assets that secure Frontier's obligations under its senior secured credit facilities and First Lien Notes due October 2027 on a first-priority basis and pari passu with its senior secured credit facilities and First Lien Notes due October 2027.

Frontier may redeem the First Lien Notes due May 2028 at any time, in whole or in part, prior to their maturity. If redeemed before May 1, 2024 the redemption price will be equal to 100% of the aggregate principal amount thereof, together with any accrued and unpaid interest, if any, to, but not including, the redemption date, plus a make-whole premium. If the notes are redeemed on or after May 1, 2024, the redemption price will be equal to the amounts set forth in the 2028 First Lien Indenture, together with any accrued and unpaid interest to the redemption date. In addition, at any time before May 1, 2024, Frontier may redeem up to 40% of the First Lien Notes due May 2028 using the proceeds of certain equity offerings at a redemption price equal to 105.000% of the aggregate principal amount thereof, together with any accrued and unpaid interest, if any, to, but not including, the redemption date.

In the event of a change of control triggering event, each holder of the First Lien Notes due May 2028 will have the right to require Frontier to purchase the notes at a purchase price equal to 101% of the principal amount of the First Lien Notes due May 2028, plus accrued and unpaid interest, if any, to, but not including, the date of repurchase.

New Second Lien Notes
On November 25, 2020, Frontier issued $1,000 million aggregate principal amount of the New Second Lien Notes, which mature on May 1, 2029, and bear interest at a rate of 6.750% per annum. Interest is payable to holders of record semi-annually in arrears on May 1 and November 1 of each year, commencing May 1, 2021.

The New Second Lien Notes were issued pursuant to an indenture, dated as of November 25, 2020 (the New Second Lien Indenture, and together with the 2027 First Lien Indenture and the 2028 First Lien Indenture, the Secured Note Indentures), by and among Frontier, the guarantors party thereto, the grantor party thereto, and Wilmington Trust, National Association, as trustee and collateral agent, and were issued in a private offering exempt from the registration requirements of the Securities Act, to persons reasonably believed to be qualified institutional buyers in accordance with Rule 144A under the Securities Act and to persons outside the United States pursuant to Regulation S under the Securities Act, at a purchase price equal to 100% of the principal amount thereof.

Prior to the conversion date, the New Second Lien Notes are superpriority obligations secured on a second-priority lien junior to the DIP Revolving Facility, the DIP Term Loan Facility, the First Lien Notes due October 2027 and the First Lien Notes due May 2028, subject to permitted liens and certain exceptions, by all the assets that secure Frontier's obligations under the DIP Revolving Facility, the DIP Term Loan Facility, on a super-priority basis and pari passu with the DIP Revolving Facility and the DIP Term Loan Facility, the First Lien Notes due October 2027 and the First Lien Notes due May 2028. From the conversion date, the New Second Lien Notes are secured on a second-priority basis junior to the DIP Revolving Facility, the DIP Term Loan Facility, the First Lien Notes due October 2027 and the First Lien Notes due May 2028, subject to permitted liens and certain exceptions, by all the assets that secure Frontier's obligations under its senior secured credit facilities and existing first lien notes on a second-priority basis junior to its senior secured credit facilities and New First Lien Notes.

Frontier may redeem the New Second Lien Notes at any time, in whole or in part, prior to their maturity. If redeemed before May 1, 2024, the redemption price will be equal to 100% of the aggregate principal amount thereof, together with any accrued and unpaid interest, if any, to, but not including, the redemption date, plus a make-whole premium. If redeemed on or after May 1, 2024, the redemption price will be equal to the amounts set forth in the New Second Lien Indenture, together with any accrued and unpaid interest to the redemption date. In addition, at any time before November 1, 2023, Frontier may redeem up to 40% of the New Second Lien Notes using the proceeds of certain equity offerings at a redemption price equal to 106.750% of the aggregate principal amount thereof, together with any accrued and unpaid interest, if any, to, but not including, the redemption date.

In the event of a change of control triggering event, each holder of the New Second Lien Notes will have the right to require Frontier to purchase the notes at a purchase price equal to 101% of the principal amount of the New Second Lien Notes, plus accrued and unpaid interest, if any, to, but not including, the date of repurchase.

Covenants related to our Secured Notes
Each of the Secured Note Indentures contain customary negative covenants, subject to a number of important exceptions and qualifications, including, without limitation, covenants related to incurring additional debt and issuing preferred stock; incurring or creating liens; redeeming and/or prepaying certain debt; paying dividends on stock or repurchasing stock; making certain investments; engaging in specified sales of assets; entering into transactions with affiliates; and engaging in consolidation, mergers and acquisitions. Certain of these covenants will be suspended during such time, if any, that the Secured Notes, as applicable, have investment grade ratings by at least two of Moody's, S&P or Fitch. The Secured Note Indentures also provide for customary events of default which, if any of them occurs, would permit or require the principal of and accrued interest on the applicable series of Secured Notes to become or to be declared due and payable.

Covenants related to other debt
The indentures governing our unsecured notes and other subsidiary indebtedness limit our ability to create liens on our assets securing indebtedness and our subsidiaries' assets or merge or consolidate with other companies, our subsidiaries' ability to borrow funds and to engage in change of control transactions, subject to important exceptions and qualifications.

On April 14, 2020, the Company Parties filed the Chapter 11 Cases. The filing of the Chapter 11 Cases constituted an event of default that accelerated substantially all of our debt covenants other than those now governing our DIP Revolving Facility, DIP Term Loan Facility, and Secured Note Indentures.

Shareholder Rights Plan

On July 1, 2019, our Board of Directors adopted a shareholder rights plan designed to protect our NOLs from the effect of limitations imposed by federal and state tax rules following a change in the ownership of our stock. This plan was designed to deter an "ownership change" (as defined in IRC Section 382) from occurring, and therefore protect our ability to utilize our federal and state net operating loss carryforwards in the future. Pursuant to the shareholder rights plan, if a shareholder (or group of affiliated or associated persons) acquires beneficial ownership of 4.9 percent or more of the outstanding shares of Frontier's common stock without prior approval of our Board of Directors or without meeting certain customary exceptions (such as a result of repurchases of stock by Frontier, dividends or distributions by Frontier or certain inadvertent actions by our stockholders), the rights would become exercisable and entitle shareholders (other than the acquiring shareholder or group) to purchase additional shares of Frontier at a significant discount and result in significant dilution in the economic interest and voting power of acquiring shareholder or group. For purposes of calculating percentage ownership under the plan, "outstanding shares" of common stock include all of the shares of common stock actually issued and outstanding. Beneficial ownership is determined as provided in the rights plan and generally includes, without limitation, any ownership of securities a person would be deemed to actually or constructively own for purposes of Section 382 of the IRC or the regulations promulgated thereunder.

The plan is not meant to be an anti-takeover measure and our Board of Directors has established a procedure to consider requests to exempt the acquisition of our common stock from the rights plan, if such acquisition would not limit or impair the availability of our NOLs. Such determination will be made in the sole and absolute discretion of our Board of Directors, upon request by any person prior to the date upon which such person would otherwise become the beneficial owner of 4.9 percent or more of the outstanding shares of our common stock. In addition, if our Board of Directors determines in good faith that a person has inadvertently become the beneficial owner of 4.9 percent or

more of the outstanding shares of our common stock, and such person divests as promptly as practicable a sufficient number of shares of common stock so that such person beneficially owns less than 4.9 percent, then such person will not cause the rights under the plan to become exercisable.

This summary description of the rights plan does not purport to be complete and is qualified in its entirety by reference to the Rights Agreement, dated as of July 1, 2019, by and between us and Computershare Trust Company, N.A., as Rights Agent, filed as an exhibit to our Periodic Report on Form 8-K filed on July 1, 2019.

See “Other Information Related to the Restructuring” below for a discussion on the potential impact of the restructuring on our NOLs.

Chapter 11 Cases and Other Related Matters

Restructuring Support Agreement
On April 14, 2020, the Company Parties entered into the Restructuring Support Agreement with the Consenting Noteholders, pursuant to which the Consenting Noteholders agreed, subject to certain terms and conditions, to support the Restructuring of the existing debt of, existing equity interests in, and certain other obligations of the Company Parties, pursuant to a pre-arranged Plan to be filed in the Chapter 11 Cases.

In accordance with the Restructuring Support Agreement, the Consenting Noteholders agreed, among other things, to:
(i) support the transactions (the Restructuring Transactions) described in, within the timeframes outlined in, and in accordance with the Restructuring Support Agreement;
(ii) not take any action, directly or indirectly, that is reasonably likely to interfere with acceptance, implementation, or consummation of the Restructuring Transactions;
(iii) vote each of its Senior Notes Claims (as defined in the Restructuring Support Agreement) to accept the Plan; and
(iv) not transfer Senior Notes Claims held by each Consenting Noteholders except with respect to limited and customary exceptions, including requiring any transferee to either already be bound or become bound by the terms of the Restructuring Support Agreement.

In accordance with the Restructuring Support Agreement, the Company Parties agreed, among other things, to:
(i) support and take all steps reasonably necessary and desirable to consummate the Restructuring Transactions in accordance with the Restructuring Support Agreement;
(ii) support and take all steps reasonably necessary and desirable to obtain entry of (a) the final orders of the Bankruptcy Court authorizing the relevant Company Parties’ entry into the documents governing a senior secured superpriority DIP financing facility, (b) the order of the Bankruptcy Court approving the disclosure statement related to the Plan pursuant to section 1125 of the Bankruptcy Code and (c) the Bankruptcy Court’s order confirming the Plan;
(iii) use commercially reasonable efforts to obtain any and all required governmental, regulatory, and/or third-party approvals for the Restructuring Transactions;
(iv) act in good faith and use commercially reasonable efforts to execute and deliver certain required documents and agreements to effectuate and consummate the Restructuring Transactions as contemplated by the Restructuring Support Agreement;
(v) operate their businesses in the ordinary course of business in a manner consistent with the Restructuring Support Agreement and past practice and use commercially reasonable efforts to preserve their businesses; and
(vi) not, directly or indirectly, object to, delay, impede, or take any other action to interfere with acceptance, implementation, or consummation of the Restructuring Transactions.

The Restructuring Support Agreement may be terminated upon the occurrence of certain events, including the failure to meet specified milestones related to consummation of the Plan. In addition, the Restructuring Support Agreement shall automatically terminate on the Effective Date of the Plan once all conditions precedent to the Plan have been satisfied.

Chapter 11 Cases
As an initial step towards implementation of the Plan, on the Petition Date, the Company Parties filed the Chapter 11 Cases. Each Company Party continues to operate its business as a "debtor in possession" under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code and the orders of the Bankruptcy Court. The Chapter 11 Cases are being jointly administered under the caption *In re Frontier Communications Corporation., et al*., Case No. 20-22476 (RDD).

In general, as debtors-in-possession under the Bankruptcy Code, we are authorized to continue to operate as an ongoing business, however, we may not engage in transactions outside the ordinary course of business without the prior approval of the Bankruptcy Court. To ensure the Company Parties' ability to continue operating in the ordinary course of business and minimize the effect of the Restructuring on the Company Parties' customers and employees, the Company Parties filed certain motions and applications intended to limit the disruption of the bankruptcy proceedings on its operations (the First Day Motions), including authority to pay employee wages and benefits, and pay vendors and suppliers for goods and services provided both before and after the filing date, which were approved after a final hearing held on May 22, 2020. Pursuant to the First Day Motions, the Bankruptcy Court authorized us to conduct our business activities in the ordinary course, including, among other things and subject to the terms and conditions of such orders: continue to operate our cash management system and honor certain prepetition obligations related thereto; maintain existing business forms; continue to perform intercompany transactions; obtain super priority administrative expense status for post-petition intercompany balances; pay certain prepetition claims of critical vendors, lien claimants and section 503(b)(9) of the Bankruptcy Code claimants in the ordinary course of business on a post-petition basis; pay prepetition employee wages, salaries, other compensation and reimbursable employee expenses and continue employee benefits programs; pay obligations under prepetition insurance policies, continue to pay certain brokerage fees; renew, supplement, modify or purchase insurance coverage; maintain our surety bond program; pay certain prepetition taxes and fees; honor certain prepetition obligations to customers and continue certain customer programs in the ordinary course of business; and pay or honor prepetition claims of content providers.

Plan and Disclosure Statement
On May 15, 2020, the Company Parties filed a proposed Joint Plan of Reorganization and related Disclosure Statement, each of which were amended on June 26, 2020, June 29, 2020, June 30, 2020, August 17, 2020 and August 21, 2020. On May 15, 2020, the Debtors also filed a proposed order approving the Disclosure Statement and various plan solicitation materials, including the solicitation and voting procedures, which was revised on June 29, 2020 (including modifications to some of the exhibits). On June 30, 2020, the Bankruptcy Court entered the modified order approving the adequacy of the Disclosure Statement and the solicitation and notice procedures and the forms of voting ballots and notices in connection therewith. The order established June 29, 2020 as the voting record date, July 2, 2020 as the solicitation launch date and July 31, 2020 as the voting deadline.

On August 21, 2020, the Company Parties filed the Plan with the Bankruptcy Court. On August 27, 2020, the Bankruptcy Court entered the Confirmation Order, which approved and confirmed the Plan. The Effective Date of the Plan will occur once all conditions precedent to the Plan have been satisfied.

The Plan as approved and confirmed by the Bankruptcy Court provides for:

- the applicable (x) Debtors, with the consent of the Consenting Noteholders then holding greater than 50.1% of the aggregate outstanding principal amount of senior notes claims that are held by all Consenting Noteholders subject to the Restructuring Support Agreement as of such date (the Required Consenting Noteholders), or (y) Reorganized Debtors taking any action as may be necessary or advisable to effectuate the restructuring transactions described in the Plan and Restructuring Transactions Memorandum (as defined in the Plan), including;
  - the execution, delivery, and filing of any organizational and governance documents for the Reorganized Company Parties;
  - any and all actions necessary or appropriate to effectuate the Secured Creditor Settlement (as defined below); and
  - the execution, delivery, and filing of all agreements, indentures, notes, filings, documents, and instruments delivered or entered into in connection with one or more DIP financing facilities, which shall be used to repay certain of the Company Parties' prepetition secured indebtedness and shall convert into an exit facility on the Effective Date (a DIP-to-Exit Facility), and a DIP revolving financing facility, which shall, subject to certain conditions, convert into an exit revolving facility (a DIP-to-Exit Revolving Facility and, together with a DIP-to-Exit Facility, DIP Facilities);

- the final satisfaction, compromise, settlement, release, and discharge of claims arising under, derived from, secured by, based on, or related to any DIP-to-Exit Facility documents or DIP-to-Exit Revolving Facility documents, on the Effective Date in exchange for payment in full in cash or, at the Company Parties' election, and solely to the extent permitted under DIP-to-Exit Facility documents or DIP-to-Exit Revolving Facility documents, as applicable, or as otherwise agreed, such holder's pro rata share of the applicable exit facilities;
- on the Effective Date, issuance of takeback debt by one or more of the Reorganized Company Parties (the Takeback Debt), in a principal amount of $750 million, which shall include the following terms (which may be modified subject to requisite consent under the Plan):
  - an interest rate that is either (a) no more than 2.50% higher than the interest rate of the next most junior secured debt facility to be entered into on the Effective Date if the Takeback Debt is secured on a third lien basis or (b) no more than 3.50% higher than the interest rate of the most junior secured debt facility to be entered into on the Effective Date if the Takeback Debt is unsecured;
  - a maturity of no less than one year outside of the longest-dated debt facility to be entered into by the Reorganized Company Parties on the Effective Date, provided that in no event shall the maturity of the Takeback Debt be longer than eight years from the Effective Date;
  - to the extent the Original Second Lien Notes claims are reinstated under the Plan, the Takeback Debt will be third lien debt, provided that to the extent the Original Second Lien Notes claims are paid in full in cash during the pendency of the Chapter 11 Cases or under the Plan, the Company Parties and the Required Consenting Noteholders will agree on whether the Takeback Debt will be secured or unsecured, within three business days of the Company Parties' delivery to the Consenting Noteholders of a term sheet for the financing to repay the Second Lien Notes in full in cash that contains terms and conditions reasonably acceptable to the Company Parties and the Required Consenting Noteholders;
  - the Takeback Debt amount is subject to downward adjustment by the Consenting Noteholders holding at least sixty-six and two-thirds percent of the aggregate outstanding principal amount of senior notes that are held by all Consenting Noteholders; and
  - all other terms including, without limitation, covenants and governance, shall be reasonably acceptable to the Company Parties and the Required Consenting Noteholders; provided that such terms shall not be more restrictive than those in the indenture for the Second Lien Notes.

The Plan, among other things and subject to the terms of the Secured Creditor Settlement, contemplates the following treatment of claims against and interests in the Company Parties:

- at the option of the applicable Reorganized Company Party, holders of secured claims against a Company Party that, absent its secured status, would be entitled to priority in right of payment under section 507(a)(8) of the Bankruptcy Code (determined irrespective of time limitations) (the Secured Tax Claims) shall receive (i) payment in full in cash or (ii) payment in cash made in equal semi-annual cash payments commencing as of the Effective Date or as soon as reasonably practicable thereafter and continuing for five years, in an aggregate amount equal to such claim, together with interest at the applicable non-default contract rate under non-bankruptcy law;
- at the option of the applicable Company Party, holders of claims entitled to priority in right of payment under section 507(a) of the Bankruptcy Code other than Administrative Claims or Priority Tax Claims (each as defined in the Plan) shall receive payment in full in cash or such other treatment rendering such claims unimpaired;
- claims arising under, derived from, based on, or related to the Company's Revolver shall be repaid on or before the Effective Date, including payment of interest payments calculated at the non-default contract rate through the earlier of the Effective Date or repayment of the Revolver in full in cash (which shall include accrued but unpaid postpetition interest);
- claims arising under, derived from, based on, or related to the JPM Credit Agreement shall be repaid on or before the Effective Date or reinstated on the Effective Date solely in the event that financing to repay such claims cannot be obtained, including payment of interest payments calculated at the non-default contract rate through the earlier of the Effective Date or repayment of the Term Loan B in full in cash (which shall include accrued but unpaid postpetition interest);
- claims arising under, derived from, based on, or related to the Original First Lien Notes, issued pursuant to the indenture, dated as of March 15, 2019, by and among the Company, as issuer, the subsidiary guarantors party thereto, JPMorgan Chase Bank, N.A., as collateral agent, and Wilmington Trust, National Association, as successor trustee shall be repaid on or before the Effective Date or reinstated on the Effective Date, including payment of interest payments calculated at the non-default contract rate through the earlier of the

Effective Date or repayment of the Original First Lien Notes in full in cash (which shall provide for the payment of accrued but unpaid postpetition interest);

- claims arising under, derived from, based on, or related to the Original Second Lien Notes, issued pursuant to that certain indenture, dated as of March 19, 2018, by and among the Company, as issuer, the subsidiary guarantors party thereto, and Wilmington Savings Fund Society FSB, as successor trustee and successor collateral agent (the Second Lien Notes Trustee) shall be repaid on or before the Effective Date or reinstated on the Effective Date, including payment of interest payments calculated at the non-default contract rate as required through the earlier of the Effective Date or repayment of the Second Lien Notes in full in cash (which shall provide for the payment of accrued but unpaid postpetition interest);
- claims arising under, derived from, based on or related to (a) the 8.500% secured notes due November 15, 2031, issued by Frontier Southwest Incorporated pursuant to the Restated Indenture, dated June 1, 1940, by and among Frontier Southwest Incorporated, as issuer, and BOKF, NA, as successor trustee, and (b) Rural Utilities Service loan contracts due January 3, 2028 (collectively, the Subsidiary Secured Notes) shall be reinstated on the Effective Date, with holders of such claims receiving ordinary course cash interest payments at the applicable non-default contract rate through the Effective Date;
- claims arising under, derived from, based on or related to the 6.750% unsecured notes due May 15, 2027 issued by Frontier California Inc., the 6.860% unsecured notes due February 1, 2028 issued by Frontier Florida LLC, the 6.730% unsecured notes due February 15, 2028 issued by Frontier North Inc., the 8.400% unsecured notes due October 15, 2029 issued by Frontier West Virginia Inc. and the applicable indentures, debentures and purchase agreements associated therewith shall be reinstated on the Effective Date, with holders of such claims receiving ordinary course cash interest payments at the applicable non-default contract rate through the Effective Date;
- holders of claims arising under, derived from, based on, or related to the unsecured notes issued by the Company shall receive their (i) pro rata share of and interest in the Incremental Senior Notes Payment Amount (as defined in the Plan) and (ii) pro rata share of and interest in (after first reducing, for distribution purposes only, the amount of each such holder's senior notes claim on a dollar-for-dollar basis by the amount of Incremental Senior Notes Payments, and solely to the extent actually paid): (a) 100% of the Reorganized Company's new common stock, subject to dilution by the Reorganized Company's management incentive plan; (b) the Takeback Debt, if any; and (c) the Surplus Cash (as defined in the Plan), if any;
- to the extent not already satisfied during the Chapter 11 Cases, holders of certain other claims that are not secured shall receive: (i) payment in full in cash; (ii) reinstatement; or (iii) such other treatment rendering such claims unimpaired, in each case as reasonably acceptable to the Company Parties and the Required Consenting Noteholders;
- holders of secured claims (other than claims arising under, derived from, based on or related to the Revolver, the Term Loan B, the Original First Lien Notes, the Second Lien Notes, the Subsidiary Secured Notes, the Secured Tax Claims or DIP Facilities) shall receive, at the option of the applicable Company Party: (i) payment in full in cash, (ii) reinstatement; (iii) delivery of the collateral securing such claim; or (iv) such other treatment rendering such claim unimpaired;
- claims subject to subordination under section 510(b) of the Bankruptcy Code shall be cancelled, released, discharged, and extinguished;
- all intercompany claims and intercompany interests shall be either (a) reinstated or (b) cancelled on the Effective Date; and
- all equity securities in the Company shall be cancelled, released and extinguished on the Effective Date.

For more information on the repayment of the Revolver, the Original First Lien Notes, the Term Loan B and the Original Second Lien Notes, see — *Term Loan and Revolving Credit Facilities and New Secured Notes*.

Secured Creditor Settlement

The Plan will effectuate the settlement, release, compromise, discharge, and other resolution of all outstanding claims, interests, and causes of action, including the *Objection of the Ad Hoc First Lien Committee to the Debtors' Third Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 857], the *Objection of the Second Lien Notes Trustee to the Debtors' Third Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 858], and the Second Lien Committee's *Joinder to the Second Lien Notes Trustee's Objection* [Docket No. 860], as between the Company Parties, the ad hoc committee of certain unaffiliated holders of Term Loan B claims and Original First Lien Notes claims (the First Lien Committee) represented by Paul, Weiss, Rifkind, Wharton & Garrison LLP and PJT Partners LP, the Second Lien Notes Trustee, and the ad hoc committee of certain unaffiliated holders of Original Second Lien Notes claims represented by Quinn Emanuel

Urquhart & Sullivan, LLP (the Second Lien Committee) (such settlement, the Secured Creditor Settlement). The Secured Creditor Settlement includes, among other terms and subject to certain conditions, the following key terms:

- holders of Term Loan B claims, Original First Lien Notes claims, and Original Second Lien Notes claims, and the First Lien Committee and Second Lien Committee, shall be deemed to have consented to reinstatement and shall not allege, and shall be deemed to have waived and foregone any objections to, any defaults arising from the transactions set forth in the Plan;
- holders of Term Loan B claims, Original First Lien Notes claims, and Original Second Lien Notes claims, and the First Lien Committee and Second Lien Committee shall be deemed to have consented to and shall not impede or otherwise delay the Debtors' pursuit of certain debtor in possession/exit financing facilities;
- holders of Term Loan B claims, Original First Lien Notes claims, and Original Second Lien Notes claims, and the First Lien Committee and Second Lien Committee, shall waive and forgo any and all "make-whole" claims and claims to default interest under the JPM Credit Agreement, the Original First Lien Notes indenture, and/or the Second Lien Notes indenture, as applicable;
- holders of Revolver claims, Term Loan B claims, Original First Lien Notes claims (including the First Lien Committee), the applicable agents, and the Original First Lien Notes trustee shall be deemed to have waived any enforcement of any turnover or payment over rights under the Junior Lien Intercreditor and Subordination Agreement, dated as of March 19, 2018, against the Debtors, Second Lien Notes Trustee, or holders of Original Second Lien Notes claims with respect to certain obligations and amounts;
- the Company Parties shall make a $48 million payment to holders of Term Loan B claims, a $9 million payment for the benefit of holders of Original First Lien Notes claims, and, in the event that the Effective Date occurs on or after March 31, 2021, an incremental payment of $8 million to holders of Term Loan B claims, subject to the provisions and conditions of the Plan with respect to such payments;
- the Company Parties or the Reorganized Company Parties, as applicable, shall pay in full in cash all reasonable First Lien Committee fees and Second Lien Committee fees that are due and owing under the applicable engagement letters; and
- all adequate protection currently in effect shall remain in effect until entry of a final adequate protection order and, upon the Company Parties' entry into any DIP Facilities, the Bankruptcy Court shall enter a final adequate protection order granting, among other things, adequate protection to secured creditors in the form of (i) liens and claims on all collateral securing any future DIP Facilities, and (ii) cash payments in the amount of accrued interest.

DIP Financing

As previously disclosed, prior to the commencement of the Chapter 11 Cases, the Company and certain of its domestic subsidiaries entered into that certain Commitment Letter, dated April 14, 2020 (as amended by that certain Letter Agreement, dated April 28, 2020, by that certain Letter Agreement, dated May 12, 2020, by that certain Letter Agreement, dated June 10, 2020, by that certain Letter Agreement, dated June 29, 2020 and as further amended, modified or supplemented from time to time, the Original Commitment Letter) with Goldman Sachs Bank USA (GS Bank), Deutsche Bank AG New York Branch (DBNY), Deutsche Bank Securities Inc. (DBSI and, collectively with DBNY, DB), Barclays Bank PLC (Barclays), Morgan Stanley Senior Funding, Inc. (MSSF), Credit Suisse AG, Cayman Islands Branch (CS) and Credit Suisse Loan Funding LLC (CSLF and, together with CS and their respective affiliates, Credit Suisse, and together with GS Bank, DB, Barclays and MSSF, the Original Commitment Parties), pursuant to which, and subject to the satisfaction of certain customary conditions, including the approval of the Bankruptcy Court, GS Bank, DBNY, Barclays, MSSF and CS committed to provide a portion of the senior secured superpriority revolving credit facility in an aggregate principal amount of $460 million, which, upon satisfaction of certain conditions, including the effectiveness of the Plan, would convert into a longer term revolving exit facility. The Original Commitment Letter lapsed in accordance with its terms.

The Company and certain of its domestic subsidiaries entered into a Commitment Letter, dated August 13, 2020, with the Original Commitment Parties, which was amended and restated by that certain Amended and Restated Commitment Letter, dated August 28, 2020, with the Original Commitment Parties and JPMorgan Chase Bank, N.A. (JPM) (collectively, the New Commitment Parties), pursuant to which, and subject to the satisfaction of certain customary conditions, including the approval of the Bankruptcy Court, GS Bank, JPM, DBNY, MSSF and CS committed to provide a portion of the $625 million DIP Revolving Facility, which, upon satisfaction of certain conditions, including the effectiveness of the Plan, would convert into a longer term revolving exit facility (the Exit Revolving Facility).

On August 14, 2020, the Company and certain of its subsidiaries entered into an engagement letter, which was amended and restated on August 28, 2020 by that certain Amended and Restated Engagement Letter by and among

the Company and certain of its subsidiaries and Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC, DBSI, Barclays Capital Inc., Morgan Stanley & Co. LLC and Credit Suisse Securities (USA) LLC, in connection with a proposed issuance, offering and sale senior secured superpriority first lien and/or second lien notes to be issued by the Company or an affiliate thereof.

The Company and certain of its domestic subsidiaries also entered into that certain Engagement Letter, dated August 14, 2020, with GS Bank, which was amended and restated by that certain Amended and Restated Engagement Letter, dated August 28, 2020 with the New Commitment Parties, in connection with the DIP Term Loan Facility, which, upon satisfaction of certain conditions, including the effectiveness of the Plan, would convert into a term loan Exit Facility (the Exit Term Loan Facility).

On August 28, 2020, the Company Parties filed the DIP Financing Motion with the Bankruptcy Court to approve the indentures, credit, guarantee and security documents governing the obligations under the DIP Financing. On September 17, 2020, the Bankruptcy Court entered the final order approving the DIP Financing Motion.

Pursuant to the DIP financing order, the Debtors were authorized to issue the First Lien Notes due May 2028, the New Second Lien Notes, and the Incremental DIP Term Loan Facility. However, the original financing letters approved by the DIP financing order expired following the closing of the DIP Revolving Facility, Initial DIP Term Loan Facility, and First Lien Notes due October 2027. On November 13, 2020, the Debtors, via court-entered stipulation, obtained approval from the Bankruptcy Court to enter into supplemental financing letters to facilitate raising the First Lien Notes due 2028, the New Second Lien Notes, and the Incremental DIP Term Loan Facility. Collectively, the DIP financing has been used to refinance the Original First Lien Notes, the Second Lien Notes, and the Term Loan B. See “—Term Loan and Revolving Credit Facilities and New Secured Notes” for more information on the terms of the DIP financing.

On October 8, 2020, the Company issued $1,150 million aggregate principal amount of the First Lien Notes due October 2027, entered into the $625 million DIP Revolving Facility and entered into the $500 million Initial DIP Term Loan Facility. The Company used the proceeds from the issuance, together with the proceeds of the DIP Term Loan Facility and cash on hand, to (i) repay in full the Company’s $1,650 million aggregate principal amount Original First Lien Notes and (ii) pay related interest, fees and expenses.

On November 25, 2020 the company issued $1,550 million aggregate principal amount of the First Lien Notes due May 2028, $1,000 million aggregate principal amount of the New Second Lien Notes, and borrowed an incremental $750 million pursuant to the Incremental DIP Term Loan Facility. The company used the proceeds from the issuance, the incremental borrowing, and cash on hand to (i) repay all outstanding borrowings under our prepetition Term Loan B, (ii) repay in full the Original Second Lien Notes, and (iii) pay related interest, fees and expenses incurred in connection therewith.

For information about events related to the DIP Financing, refer to “*—Capital Resources*”.

Regulatory Approvals
As set forth in the Plan and the Disclosure Statement, in order to implement the restructuring contemplated by the Plan, the Company Parties must satisfy several conditions after confirmation of the Plan but prior to emergence from Chapter 11. Among other things, the Company Parties must obtain requisite regulatory approvals, including FCC and required PUC approvals in certain states. As part of the regulatory approval process, the Company made a number of affirmative commitments and the FCC and states have imposed additional conditions on the Company as part of approval for the Restructuring, including specific investment, broadband service deployment, service quality improvements, reporting and compliance conditions. The regulatory approval process is moving forward, and the Company has received PUC approvals or favorable determinations in all of the required states at this time, except California. No assurance can be given as to the terms, conditions, and timing of the remaining California approval.

Effects of the Restructuring and the Chapter 11 Cases on Our Liquidity
The filing of the Chapter 11 Cases constituted an event of default that accelerated substantially all of our obligations under the documents governing the JPM Credit Facilities, the Original First Lien Notes, the Second Lien Notes, our unsecured notes and debentures and the secured and unsecured debentures of our subsidiaries. However, pursuant to the Bankruptcy Code and as described in “Part II. Other Information—Item 1. Legal Proceedings”, the filing of the Bankruptcy Petitions automatically stayed most actions against the Company Parties, including most actions to collect indebtedness incurred prior to the Petition Date or to exercise control over the Company Parties’ property. Accordingly, although the filing of the Bankruptcy Petitions triggered events of default under our existing debt

obligations, creditors are stayed from taking action as a result of these defaults. Additionally, under Section 502(b)(2) of the Bankruptcy Code, and subject to the terms of the DIP financing order providing for adequate protection payments to certain of our prepetition lenders, we are no longer required to pay interest on our indentures and credit facilities accruing on or after the Petition Date.

Additionally, in connection with the Chapter 11 Cases, we have incurred, and expect to continue to incur, significant professional fees and other costs in connection with the Chapter 11 Cases. There can be no assurance that our current liquidity is sufficient to allow us to satisfy our obligations related to the Chapter 11 Cases or to pursue confirmation of the Plan.

Other Information Related to the Restructuring

We have significant deferred tax assets, including NOLs, The impact of the Restructuring on the Company's NOLs will depend on whether the Restructuring is structured as (i) a taxable disposition of substantially all of the assets and/or subsidiary stock of the Company, (ii) as a recapitalization of the Company, or (iii) some other alternative structure. If structured as a taxable disposition, we anticipate that NOLs of the Company (if any) remaining after the Restructuring will not be available to the Company after consummating the Restructuring. If structured as a recapitalization, we anticipate that the Company will experience an ownership change, and thus NOLs of the Company (if any) remaining after the Restructuring will be subject to limitation, such that the Company may not derive all of the benefits of any such remaining NOLs after consummating the Restructuring.

See "Risk Factors—Risks Related to the Restructuring, Our Indebtedness and Liquidity," and Note 15 of the Notes to Consolidated Financial Statements for more information on the Restructuring and the risks related thereto. See "—Shareholder Rights Plan" for a description of the shareholder rights plan our Board of Directors adopted to protect our NOLs from the effect of limitations imposed by federal and state tax rules following a change in the ownership of our stock. Refer to Note 1 of the Notes to Consolidated Financial Statements for further discussion of the Company's ability to continue as a going concern and Note 9 for further detail of our debt obligations as of and for the year ended December 31, 2020.

Off-Balance Sheet Arrangements

We do not maintain any off-balance sheet arrangements, transactions, obligations or other relationships with unconsolidated entities that would be expected to have a material current or future effect upon our financial statements.

Future Contractual Obligations and Commitments

A summary of our future contractual obligations and commercial commitments as of December 31, 2020 is as follows:

		Payments due by period					
($ in millions)	Total	2021	2022	2023	2024	2025	Thereafter
Long term debt obligations, reclassified to Liabilities subject to compromise [1]	$ 10,949	$ 10,949	$ -	$ -	$ -	$ -	$ -
DIP-to-Exit secured debt obligations [2]	4,950	4,950	-	-	-	-	-
Other secured long term debt and subsidiary debt obligations [3]	870	870	-	-	-	-	-
Interest on long-term debt [4]	2,591	362	358	356	357	355	803
Lease obligations	489	81	74	65	54	46	169
Purchase obligations	136	85	22	19	4	2	4
Liability for uncertain tax positions	16	2	-	-	-	-	14
Total	$ 20,001	$ 17,299	$ 454	$ 440	$ 415	$ 403	$ 990

[1] Includes unsecured debt issued by Frontier that has been reclassified to Liabilities subject to compromise as of December 31, 2020 on our consolidated balance sheet. Refer to Note 3 for additional details.
[2] Includes secured debt issued by Frontier under the DIP Term Loan Facility, the 2027 First Lien Indenture, the 2028 First Lien Indenture, and the New Second Lien Indenture that is included in Long Term Debt due within one year as of December 31, 2020 on our consolidated balance sheet. Refer to note 9 for additional details.
[3] Includes unsecured and secured debt issued by subsidiary companies of Frontier and other secured debt issued by Frontier included in Long Term Debt due within one year as of December 31, 2020 on our consolidated balance sheet.
[4] Includes interest incurred on DIP-to-Exit secured debt, other secured debt, and subsidiary secured and unsecured debt.

Our outstanding performance letters of credit decreased from $151 million to $139 million during the year ended December 31, 2020. Letters of credit exclude approximately $57 million of cash held in trust in lieu of issuing letters of credit for Zurich Insurance related claims.

In 2015, Frontier accepted the FCC's CAF Phase II offer in 29 states, which provides $332 million in annual support and in return the Company is committed to make broadband available to approximately 774,000 locations within its footprint. This amount included approximately 41,000 locations and $19 million in annual support related to the four states of the Northwest Operations, which were disposed on May 1, 2020. To the extent we do not enable the required number of households with 10 Mbps downstream/1 Mbps upstream broadband service by the end of the CAF Phase II, or we are unable to satisfy other FCC CAF Phase II requirements, Frontier would be required to return a portion of the funds previously received.

In 2020, Frontier was awarded approximately $371 million over ten years to build gigabit-capable broadband over a fiber-to-the-premises network to approximately 127,000 locations across eight states (California, Connecticut, Florida, Illinois, New York, Pennsylvania, Texas, and West Virginia). Frontier submitted its Long Form application to the FCC on January 29, 2021 and, assuming the long-form application is granted by the FCC, anticipates that it will begin receiving funding on January 1, 2022, in which case, Frontier will be required to complete the buildout to the RDOF locations by December 31, 2027, with interim target milestones over this period. To the extent we do not enable the required number of locations with gigabit-capable broadband service by the end of the RDOF period, or we are unable to satisfy other FCC RDOF requirements, Frontier would be required to return a portion of the funds previously received.

Critical Accounting Policies and Estimates

The preparation of our financial statements requires management to make estimates and assumptions. There are inherent uncertainties with respect to such estimates and assumptions; accordingly, it is possible that actual results could differ from those estimates and changes to estimates could occur in the near term. The estimates which require the most significant judgment are listed below.

These critical accounting estimates have been reviewed with the Audit Committee of our Board of Directors. For a discussion of these and other accounting policies, see Note 1 of the Notes to Consolidated Financial Statements.

Allowance for Doubtful Accounts
We maintain an allowance for doubtful accounts based on our estimate of our ability to collect accounts receivable. Our estimates are based on assumptions and other considerations, including payment history, customer financial performance, carrier billing disputes and aging analysis. Our estimation process includes general and specific reserves and varies by customer category. In 2020 and 2019, we had no “critical estimates” related to bankruptcies of communications companies or any other significant customers. See Notes 1 and 5 of the Notes to Consolidated Financial Statements for additional discussion.

Depreciation
The calculation of depreciation expense is based upon the estimated useful lives of the underlying property, plant and equipment and identifiable finite-lived intangible assets. Depreciation expense is principally based on the composite group method for substantially all of our property, plant and equipment assets. The estimates for remaining lives of the various asset categories are determined annually, based on an independent study. Among other considerations, these studies include models that consider actual usage, replacement history and assumptions about technology evolution for each category of asset. The latest study was completed in the fourth quarter of 2020 and did not result in any significant changes in remaining lives for any of our asset categories. A one-year decrease in the estimated useful lives of our property, plant and equipment would result in an increase of approximately $146 million to depreciation expense.

See Notes 6 and 7 of the Notes to Consolidated Financial Statements for additional discussion.

Asset Impairments
We review long-lived assets to be held and used, including customer lists and long-lived assets to be disposed of for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. When triggering events are identified, recoverability of assets to be held and used is measured by comparing the carrying amount of the asset to the future undiscounted net cash flows expected to be generated by the asset. Recoverability of assets held for sale is measured by comparing the carrying amount of the assets to their estimated fair market value. If any assets are considered to be impaired, the impairment is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value. Also, we periodically reassess the useful lives of our tangible and intangible assets to determine whether any changes are required.

Our indefinite lived trade name assets are evaluated for impairment annually. The annual process for assessing the carrying value of our trade name begins with a qualitative assessment of events and conditions similar to the assessment performed for goodwill. When events are identified, we evaluate the assets for impairment through comparison of the fair value of the trade name to the carrying value. The fair value of the trade name is determined using the relief from royalty method, which is a form of the income approach. As of December 31, 2019, no impairment was present for our trade name.

We considered whether the carrying values of indefinite-lived intangible assets, finite-lived intangible assets, and property plant and equipment may not be recoverable or whether the carrying value of certain finite-lived intangible assets were impaired, noting no impairment was present as of or for the year ended December 31, 2020.

Pension and Other Postretirement Benefits
We sponsor a defined benefit pension plan covering a significant number of our current and former employees as well as other postretirement benefit plans that provide medical, dental, life insurance and other benefits for covered retired employees and their beneficiaries and covered dependents. As of December 31, 2020, the unfunded benefit obligation for these plans recorded on our consolidated balance sheet was $2,243 million. During 2020, we contributed $115 million to these plans in cash and recorded $53 million of operating expense before capitalization, including a gain on disposal of $62 million related to the sale of our Northwest Operations, and $202 million of net non-operating expense, including $159 million of pension settlement costs. Pension and other postretirement benefit costs and obligations are dependent upon various actuarial assumptions, the most significant of which are the discount rate and the expected long-term rate of return on plan assets.

Our discount rate assumption is determined annually with assistance from our actuaries based on the pattern of expected future benefit payments and the prevailing rates available on long-term, high quality corporate bonds with durations approximate to that of our benefit obligation. As of December 31, 2020, and 2019, we utilized an estimation technique that is based upon a settlement model (Bond:Link) that permits us to closely match cash flows to the expected

payments to participants. This rate can change from year-to-year based on market conditions that affect corporate bond yields.

We are utilizing a discount rate of 2.60% as of December 31, 2020 for our qualified pension plan, compared to rates of 3.40% and 4.30% in 2019 and 2018, respectively. The discount rate for postretirement plans as of December 31, 2020 was a range of 2.60% to 2.80% compared to a range of 3.40% to 3.50% in 2019 and 4.30% to 4.40% in 2018.

In the following table, we show the estimated sensitivity of our pension and other postretirement benefit plan liabilities to a 25 basis point change in the discount rate as of December 31, 2020:

($ in millions)	Increase in Discount Rate of 25 bps	Decrease in Discount Rate of 25 bps
Pension plans		
Projected benefit obligation	$ (92)	$ 97
Other postretirement plans		
Accumulated postretirement benefit obligation	$ (35)	$ 37

In developing the expected long-term rate of return assumption, we considered published surveys of expected market returns, 10 and 20 year actual returns of various major indices, and our own historical 5 year, 10 year and 20 year investment returns. The expected long-term rate of return on plan assets is based on an asset allocation assumption of 40% in long-duration fixed income securities, and 60% in equity securities and other investments. We review our asset allocation at least annually and make changes when considered appropriate. Our asset return assumption is made at the beginning of our fiscal year. In 2020, 2019 and 2018, our expected long-term rate of return on plan assets was 7.50%. Our actual return on plan assets in 2020 was 13%. For 2021, we expect to assume a rate of return of 7.50%. Our pension plan assets are valued at fair value as of the measurement date.

For additional information regarding our pension and other postretirement benefits (see Note 20 to the Notes to Consolidated Financial Statements).

Income Taxes
We file a consolidated federal income tax return. We utilize the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred income taxes are recorded for the tax effect of temporary differences between the financial statement basis and the tax basis of assets and liabilities using tax rates expected to be in effect when the temporary differences are expected to reverse. Actual income taxes could vary from these estimates due to future changes in governing law or review by taxing authorities.

We recognize deferred tax assets to the extent that we believe that these assets are more likely than not to be realized. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If we determine that we are not able to realize a portion of our net deferred tax assets in the future, we would make an adjustment to the deferred tax asset valuation allowance, which would increase the provision for income taxes.

The tax effect of a change in tax law or rates included in income tax expense from continuing operations includes effect of changes in deferred tax assets and liabilities initially recognized through a charge or credit to other comprehensive income. The residual tax effects typically are released when the item giving rise to the tax effect is disposed of, liquidated, or terminated. Since the Company has adopted the portfolio approach to release the residual tax effects, there is no release for the residual tax effect from the sale of our Northwest Operations.

Recent Accounting Pronouncements
See Note 2 of the Notes to Consolidated Financial Statements included in Part IV of this report for additional information related to recent accounting pronouncements.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risk in the normal course of our business operations due to ongoing investing and funding activities, including those associated with our pension plan assets. Market risk refers to the potential change in fair value of a financial instrument as a result of fluctuations in interest rates and equity prices. We do not hold or issue derivative instruments, derivative commodity instruments or other financial instruments for trading purposes. As a result, we do not undertake any specific actions to cover our exposure to market risks, and we are not party to any market risk management agreements other than in the normal course of business. Our primary market risk exposures from interest rate risk and equity price risk are as follows:

Interest Rate Exposure
Our exposure to market risk for changes in interest rates relates primarily to the interest-bearing portion of our pension investment portfolio and the related actuarial liability for pension obligations, as well as our floating rate indebtedness. As of December 31, 2020, 93% of our total debt had fixed interest rates. We had no interest rate swap agreements in effect at December 31, 2020. We believe that our currently outstanding obligation exposure to interest rate changes is minimal.

Our discount rate assumption for our pension benefit obligation is determined at least annually, or whenever required, with assistance from our actuaries based on the pattern of expected future benefit payments and the prevailing rates available on long-term, high quality corporate bonds with durations approximate to that of our benefit obligation. As of December 31, 2020, our discount rate utilized in calculating our benefit plan obligation was 2.60%.

Our objectives in managing our interest rate risk are to limit the impact of interest rate changes on earnings and cash flows and to lower our overall borrowing costs. To achieve these objectives, 7% of our outstanding borrowings at December 31, 2020 have floating interest rates. The annual impact of 100 basis points change in the LIBOR would result in approximately $13 million of additional interest expense. An adverse change in interest rates would increase the amount that we pay on our variable rate obligations and could result in fluctuations in the fair value of our fixed rate obligations. Based upon our overall interest rate exposure, a near-term change in interest rates would not materially affect our consolidated financial position, results of operations or cash flows.

At December 31, 2020, the fair value of our debt was estimated to be approximately $11.6 billion, based on quoted market prices, our overall weighted average borrowing rate was 8.065% and our overall weighted average maturity was approximately 4.9 years. As of December 31, 2020, prior to the filing of the Chapter 11 Cases, there had been no significant change in the weighted average maturity applicable to our obligations since December 31, 2019. However, the filing of the Chapter 11 Cases has accelerated the maturity of substantially all of our debt obligations and we have not been paying interest on our unsecured debt obligations since the filing of bankruptcy. Refer to Notes 3 and 9 for discussion of the impact of the Chapter 11 Cases on our debt obligations.

Equity Price Exposure
Our exposure to market risks for changes in equity security prices as of December 31, 2020 is primarily limited to our pension plan assets. We have no other security investments of any significant amount.

Our Pension Plan assets decreased from $2,730 million at December 31, 2019 to $2,507 million at December 31, 2020, a decrease of $223 million, or 8%. This decrease was primarily a result of benefit payments of $538 million, the impact of the sale of the Northwest Operations of $70 million, partially offset by contributions of $64 million and investment returns of $321 million.

Item 8. Financial Statements and Supplementary Data

The following documents are filed as part of this Report:

1) Financial Statements – See Index on page F-1.

2) Supplementary Data – Quarterly Financial Data is included in the Financial Statements (see 1 above).

3) Schedule of Pledged Subsidiary Financial Data.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

(i) Evaluation of Disclosure Controls and Procedures
We carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, regarding the effectiveness of our disclosure controls and procedures (as defined in Rules 13a–15© and 15d–15© under the Securities Exchange Act of 1934, as amended). Based upon this evaluation, our principal executive officer and principal financial officer concluded, as of the end of the period covered by this report, December 31, 2020, that our disclosure controls and procedures were effective.

(ii) Internal Control Over Financial Reporting

a. Management's annual report on internal control over financial reporting
   - Our management report on internal control over financial reporting appears on page F-2.

b. Report of registered public accounting firm
   - The report of KPMG LLP, our independent registered public accounting firm, on internal control over financial reporting appears on page F-5.

c. Changes in internal control over financial reporting
   - There have been no changes to our internal control over financial reporting identified in an evaluation thereof that occurred during the fiscal year of 2020 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Certain of the information required by this Item is incorporated by reference from a Form 10-K/A to be filed with the SEC within 120 days after December 31, 2020.

Executive Officers of the Registrant

Our Executive Officers as of March 3, 2021 were:

7

Name	Age	Current Position and Officer
Kenneth W. Arndt	56	Executive Vice President, Chief Operations Officer
Sheldon Bruha	53	Executive Vice President, Chief Financial Officer
Donald Daniels	53	Senior Vice President, Chief Accounting Officer
Steve Gable	47	Executive Vice President, Chief Technology Officer
Bernard L. Han	56	President & Chief Executive Officer
Mark D. Nielsen	56	Executive Vice President, Chief Legal Officer and Chief Transaction Officer

There is no family relationship between the directors or executive officers. The term of office of each of the foregoing officers of Frontier is annual and will continue until a successor (if any) has been elected and qualified.

KENNETH W. ARNDT has been with Frontier since 2003 and was appointed Executive Vice President and Chief Operations Officer in 2018. Previously he was EVP of Commercial Sales Operations. Mr. Arndt also had oversight of Frontier's operations in Connecticut, New York, Ohio, Pennsylvania and West Virginia. Before joining Frontier, Mr. Arndt served as Vice President of Marketing for Lucent Technologies and Vice President of Sales and Marketing for Commonwealth Telephone Company in Pennsylvania.

SHELDON BRUHA was appointed Executive Vice President and Chief Financial Officer in 2019. He joined Frontier in February 2018 as Senior Vice President and Treasurer, responsible for Treasury, Investor Relations, Mergers & Acquisitions, and Risk & Insurance. Prior to joining Frontier, Mr. Bruha's career in global finance included positions at CDI Corp. and senior financial positions heading corporate finance, treasury, tax, and investor relations for Cable & Wireless Communications in Miami and London. He started his financial career at Lehman Brothers, the global investment bank, and held senior investment banking positions in its New York and London offices, focusing on the telecommunications industry.

DONALD DANIELS joined Frontier in July 2014 and was appointed Senior Vice President and Chief Accounting Officer in 2018. Mr. Daniels was previously the Senior Vice President and Controller for Frontier. From October 2002 to July 2014 he held various positions with JetBlue Airways Corporation, including Corporate Controller, Chief Accounting Officer, Vice President and Controller, Assistant Controller, and Director of Financial Reporting. Prior to that Mr. Daniels held various positions of increasing responsibility at Delta Air Lines and Deloitte and Touche, LLP. Mr. Daniels is a veteran of the United States Army and a certified public accountant.

STEVE GABLE has been with Frontier since November 2012 and has been Executive Vice President and Chief Technology Officer since April 2015. Previously he served as Senior Vice President and Chief Information Officer. Prior to Frontier, Mr. Gable was Executive Vice President/CTO of Tribune Company while also serving as President of Tribune Digital. Before Tribune, Mr. Gable served as Vice President of Technology for Clear Channel Radio.

BERNARD L. HAN was appointed President and Chief Executive Officer in December 2019 after serving as an advisor to the Finance Committee of the Board from October 2019. He previously served as Executive Vice President of Strategic Planning at Dish Network Corp., a broadcast satellite service provider, a role he held from December 2015. Prior to that, Mr. Han served as the Chief Operating Officer of Dish Network Corp. from April 2009 to December 2015 and as the Chief Financial Officer of EchoStar Corporation, a global satellite services provider, from September 2006 to April 2009. From 2002 to 2005, Mr. Han served as the Chief Financial Officer and Executive Vice President of Northwest Airlines Corp. From 1996 to 2002, Mr. Han held several executive positions at America West Airlines, Inc., including Executive Vice President and Chief Financial Officer and Senior Vice President of Marketing and Planning.

From 1988 to 1995, Mr. Han held various finance and marketing positions at Northwest Airlines Corp. and American Airlines. Mr. Han is a member of the Board of Directors and Audit Committee of Frontier Airlines and previously served on the Board of Directors of ON Semiconductor Corporation. Mr. Han holds a B.S., M.S. and M.B.A. from Cornell University.

MARK D. NIELSEN has been with Frontier since 2014 and is Executive Vice President, Chief Legal Officer and Chief Transaction Officer. Prior to joining Frontier, he was Associate General Counsel and Chief Compliance Officer for Praxair Inc. and Vice President and Assistant General Counsel of Raytheon Company. Before that, Mr. Nielsen served as Chief Legal Counsel, and then Chief of Staff, to Massachusetts Governor Mitt Romney from 2004 to 2007.

Item 11. Executive Compensation

In accordance with General Instruction G(3) to Form 10-K, Frontier intends to file with the SEC the information required by this Item within 120 days after December 31, 2020.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

In accordance with General Instruction G(3) to Form 10-K, Frontier intends to file with the SEC the information required by this Item within 120 days after December 31, 2020.

Item 13. Certain Relationships and Related Transactions, and Director Independence

In accordance with General Instruction G(3) to Form 10-K, Frontier intends to file with the SEC the information required by this Item within 120 days after December 31, 2020.

Item 14. Principal Accountant Fees and Services

In accordance with General Instruction G(3) to Form 10-K, Frontier intends to file with the SEC the information required by this Item within 120 days after December 31, 2020.

PART IV

Item 15. Exhibits and Financial Statement Schedules

List of Documents Filed as a Part of This Report:

(1) Index to Consolidated Financial Statements:

Reports of Independent Registered Public Accounting Firm

Consolidated Balance Sheets as of December 31, 2020 and 2019

Consolidated Statements of Operations for the years ended December 31, 2020, 2019 and 2018

Consolidated Statements of Comprehensive Loss for the years ended December 31, 2020, 2019 and 2018

Consolidated Statements of Equity (Deficit) for the years ended December 31, 2020, 2019 and 2018

Consolidated Statements of Cash Flows for the years ended December 31, 2020, 2019 and 2018

Notes to Consolidated Financial Statements

Pledged Subsidiaries Financial Data

All other schedules have been omitted because the required information is included in the consolidated financial statements or the notes thereto or is not applicable or not required.

(2) Index to Exhibits:

Exhibit No.	Description
2.1	Stock Purchase Agreement, dated as of December 16, 2013, by and between AT&T Inc. and Frontier (filed as Exhibit 2.1 to Frontier's Current Report on Form 8-K filed on December 17, 2013).
2.2	Securities Purchase Agreement, dated as of February 5, 2015, by and between Verizon Communications Inc. and Frontier (filed as Exhibit 2.1 to Frontier's Current Report on Form 8-K filed on February 5, 2015).
2.3	Purchase Agreement, dated as of May 28, 2019, between Frontier, Frontier Communications ILEC Holdings LLC and Northwest Fiber, LLC (filed as Exhibit 2.1 to Frontier's Current Report on form 8-K filed on May 29, 2019).
2.4	Order Confirming the Fifth Amended Joint Plan of Reorganization of Frontier Communications Corporation and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code (filed as Exhibit 2.1 to Frontier's Current Report on Form 8-K filed on August 27, 2020.
3.1	Restated Certificate of Incorporation (filed as Exhibit 3.200.1 to Frontier's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2000).
3.2	Certificate of Amendment of Restated Certificate of Incorporation, effective July 31, 2008 (filed as Exhibit 3.1 to Frontier's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2008).*
3.3	Certificate of Amendment of Restated Certificate of Incorporation, effective June 28, 2010 (filed as Exhibit 99.2 to Frontier's Current Report on Form 8-K filed July 1, 2010).
3.4	Certificate of Amendment of Restated Certificate of Incorporation, effective July 5, 2017 (filed as Exhibit 3(i) to Frontier's Current Report on Form 8-K field on July 10, 2017).
3.5	By-laws, as amended May 7, 2019 (filed as Exhibit 3.1 to Frontier's Current Report on Form 8-K filed on May 9, 2019).
3.6	Certificate of Designations of Series B Stock of Frontier, as filed with the Secretary of State of Delaware on July 1, 2019 (filed as Exhibit 3.1 to Frontiers Current Report on Form 8-K filed July 1, 2019).
4.1	Indenture of Securities, dated as of August 15, 1991, between Frontier and JPMorgan Chase Bank, N.A. (as successor to Chemical Bank), as Trustee (the "August 1991 Indenture") (filed as Exhibit 4.100.1 to Frontier's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 1991).

4.2	Fourth Supplemental Indenture to the August 1991 Indenture, dated October 1, 1994, between Frontier and JPMorgan Chase Bank, N.A. (as successor to Chemical Bank), as Trustee, with respect to 7.68% Debentures due 2034 (filed as Exhibit 4.100.7 to Frontier's Current Report on Form 8-K filed on January 3, 1995).
4.3	Fifth Supplemental Indenture to the August 1991 Indenture, dated as of June 15, 1995, between Frontier and JPMorgan Chase Bank, N.A. (as successor to Chemical Bank), as Trustee, with respect to 7.45% Debentures due 2035 (filed as Exhibit 4.100.8 to Frontier's Current Report on Form 8-K filed on March 29, 1996 (the "March 29, 1996 8-K")).
4.4	Sixth Supplemental Indenture to the August 1991 Indenture, dated as of October 15, 1995, between Frontier and JPMorgan Chase Bank, N.A. (as successor to Chemical Bank), as Trustee, with respect to 7% Debentures due 2025 (filed as Exhibit 4.100.9 to the March 29, 1996 8-K).
4.5	Seventh Supplemental Indenture to the August 1991 Indenture, dated as of June 1, 1996, between Frontier and JPMorgan Chase Bank, N.A. (as successor to Chemical Bank), as Trustee, with respect to 6.8% Debentures due 2026 (filed as Exhibit 4.100.11 to Frontier's Annual Report on Form 10-K for the year ended December 31, 1996 (the "1996 10-K")).
4.6	Eighth Supplemental Indenture to the August 1991 Indenture, dated as of December 1, 1996, between Frontier and JPMorgan Chase Bank, N.A. (as successor to Chemical Bank), as Trustee, with respect to 7.05% Debentures due 2046 (filed as Exhibit 4.100.12 to the 1996 10-K).
4.7	Indenture, dated as of August 16, 2001, between Frontier and JPMorgan Chase Bank, N.A. (as successor to The Chase Manhattan Bank), as Trustee, with respect to 9% Senior Notes due 2031 (including the form of note attached thereto) (filed as Exhibit 4.1 of Frontier's Current Report on Form 8-K filed on August 22, 2001).
4.8	Indenture, dated as of December 22, 2006, between Frontier and The Bank of New York, as Trustee, with respect to 7.875% Senior Notes due 2027 (including the form of note attached thereto) (filed as Exhibit 4.1 to Frontier's Current Report on Form 8-K filed on December 29, 2006).
4.9	Indenture dated as of April 9, 2009, between Frontier and The Bank of New York Mellon, as Trustee (the "April 2009 Indenture") (filed as Exhibit 4.1 to Frontier's Current Report on Form 8-K filed on April 9, 2009 (the "April 9, 2009 8-K")).
4.10	Third Supplemental Indenture to the April 2009 Indenture, dated as of May 22, 2012, between Frontier and The Bank of New York Mellon, as Trustee, with respect to 9.25% Senior Notes due 2021 (filed as Exhibit 4.1 to Frontier's Current Report on Form 8-K filed on May 22, 2012 (the "May 22, 2012 8-K")).*
4.11	Form of Senior Note due 2021 (filed as Exhibit 4.2 to the May 22, 2012 8-K).
4.12	Fourth Supplemental Indenture to the April 2009 Indenture, dated as of August 15, 2012, between Frontier and The Bank of New York Mellon, as Trustee, with respect to 7.125% Senior Notes due 2023 (the "Fourth Supplement to April 2010 Indenture") (filed as Exhibit 4.1 to Frontier's Current Report on Form 8-K filed on August 15, 2012 (the "August 15, 2012 8-K")).
4.13	Form of Senior Note due 2023 (filed as Exhibit 4.2 to the August 15, 2012 8-K).
4.14	First Amendment to the Fourth Supplement to April 2009 Indenture, dated as of October 1, 2012, between Frontier and The Bank of New York Mellon, as Trustee, with respect to 7.125% Senior Notes due 2023 (filed as Exhibit 4.1 to Frontier's Current Report on Form 8-K filed on October 1, 2012).
4.15	Fifth Supplemental Indenture to the April 2009 Indenture, dated as of April 10, 2013, between Frontier and The Bank of New York Mellon, as Trustee, with respect to 7.625% Senior Notes due 2024 (filed as Exhibit 4.1 to Frontier's Current Report on Form 8-K filed on April 10, 2013 (the "April 10, 2013 8-K")).
4.16	Form of Senior Note due 2024 (filed as Exhibit 4.2 to the April 10, 2013 8-K).
4.17	Sixth Supplemental Indenture to the April 2009 Indenture, dated as of September 17, 2014, between Frontier Communications Corporation and The Bank of New York Mellon, as Trustee (including the form of 6.250% Senior Notes due 2021) (filed as Exhibit 4.1 to Frontier's Current Report on Form 8-K filed on September 17, 2014 (the "September 17, 2014 8-K")).
4.18	Seventh Supplemental Indenture to the April 2009 Indenture, dated as of September 17, 2014, between Frontier Communications Corporation and The Bank of New York Mellon, as Trustee, with respect to 6.875% Senior Notes due 2025 (including the form of notes attached thereto) (filed as Exhibit 4.2 to the September 17, 2014 8-K).
4.19	Indenture, dated as of April 12, 2010 (the "April 2010 Indenture"), as amended, between New Communications Holdings Inc. ("Spinco") and The Bank of New York Mellon, as Trustee (including the forms of notes attached thereto) (filed as Exhibit 4.22 to Spinco's Registration Statement on Form 10 filed on April 20, 2010 (File No. 000-53950) (the "Spinco Form 10")).
4.20	First Supplemental Indenture to the April 2010 Indenture, dated as of July 1, 2010, between Frontier and The Bank of New York Mellon, as Trustee, with respect to 8.5% Senior Notes due 2020, and 8.75% Senior Notes due 2022 (filed as Exhibit 4.2 to Frontier's Registration Statement on Form S-4 filed on July 2, 2010 (File No. 333-167962)).

4.21	Indenture, dated as of January 1, 1994, between Frontier North Inc. (formerly GTE North Incorporated) and Bank of New York Mellon (as successor to The First National Bank of Chicago), as Trustee (the "Frontier North Indenture") (filed as Exhibit 4.1 to Frontier's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2010).
4.22	First Supplemental Indenture to the Frontier North Indenture, dated as of May 1, 1996, between Frontier North Inc. (formerly GTE North Incorporated) and Bank of New York Mellon (as successor to The First National Bank of Chicago), as Trustee (filed as Exhibit 4.2 to Frontier's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2010).
4.23	Form of Debenture under the Frontier North Indenture (filed as Exhibit 4.24 to Frontier's Annual Report on Form 10-K for the year ended December 31, 2011 (the "2011 10-K")).
4.24	BaseIndenture,datedasofSeptember25,2015(the"2015BaseIndenture"),betweenFrontier Communications Corporation and The Bank of New York Mellon, astrustee (filed as Exhibit 4.1 to Frontier's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2015 (the "September 30, 2015 10-Q")).
4.25	First Supplemental Indenture to the 2015 Base Indenture, dated as of September 25, 2015, between Frontier CommunicationsCorporationandTheBankofNewYorkMellon,astrustee,withrespectto8.875% Senior Notes due 2020 (including the forms of notes attachedthereto) (filed as Exhibit 4.2 to the September 30, 2015 10-Q).
4.26	SecondSupplementalIndenturetothe2015BaseIndenture,datedasofSeptember25,2015,between FrontierCommunicationsCorporationandTheBankofNewYorkMellon,astrustee,withrespectto 10.500% Senior Notes due 2022 (including the forms of notes attachedthereto) (filed as Exhibit 4.3 to the September 30, 2015 10-Q).
4.27	ThirdSupplementalIndenturetothe2015BaseIndenture,datedasofSeptember25,2015,between FrontierCommunicationsCorporationandTheBankofNewYorkMellon,astrustee,withrespectto 11.000% Senior Notes due 2025 (including the forms of notes attachedthereto) (filed as Exhibit 4.4 to the September 30, 2015 10-Q).
4.28	Fourth Supplemental Indenture, dated as of March 20, 2018, to the 2015 Base Indenture, dated as of September 25, 2015, between Frontier Communications Corporation and The Bank of New York Mellon, as trustee, with respect to the 8.875% Senior Notes due 2020 (filed as Exhibit 4.3 to the March 21, 2018 8-K).
4.29	Restated Indenture, dated as of March 25, 2008, between Southwestern Associated Telephone Company and First National Bank in Dallas, as trustee (filed as Exhibit 4.1 to Frontier's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2016 (the "June 30, 2016 10-Q")).*
4.30	Indenture, dated as of December 1, 1993, between GTE California Incorporated and Bank of America National Trust and Savings Association, as trustee (the "California Indenture") (filed as Exhibit 4.2 to the June 30, 2016 10-Q).
4.31	First Supplemental Indenture to the California Indenture dated as of April 15, 1996, between GTE California Incorporated and First Trust of California, National Association, as trustee (filed as Exhibit 4.3 to the June 30, 2016 10-Q).
4.32	Indenture, dated as of November 1, 1993, between GTE Florida Incorporated and Nations Bank of Georgia, National Association, as trustee (the "Florida Indenture") (filed as Exhibit 4.4 to the June 30, 2016 10-Q).
4.33	First Supplemental Indenture to the Florida Indenture dated as of January 1, 1998, between GTE Florida Incorporated and the Bank of New York, as trustee (filed as Exhibit 4.5 to the June 30, 2016 10-Q).
4.34	Indenture, dated as of October 8, 2020, by and among Frontier Communication Corporation, the guarantors party thereto, the collateral grantor party thereto, and Wilmington Trust, National Association, a national banking association, as trustee and as collateral agent, with respect to the 5.875% First Lien Secured Notes due 2027 (filed as Exhibit 4.1 to Frontier's Current Report on Form 8-K filed on October 14, 2020.)
4.35	Form of 5.875% First Lien Secured Note due 2027 (filed as Exhibit 4.2 to Frontier's Current Report on Form 8-K filed on October 14, 2020.)
4.36	Indenture, dated as of November 25, 2020, by and among Frontier Communications Corporation, the guarantors party thereto, the collateral grantor party thereto, JPMorgan Chase Bank N.A., as collateral agent and Wilmington Trust, National Association, a national banking association, as trustee, with respect to the 5.000% First Lien Secured Notes due 2028 (filed as Exhibit 4.1 to Frontier' Current Report on Form 8-K filed on December 2, 2020).

4.37	Form of 5.000% First Lien Secured Notes due 2028 (filed as Exhibit 4.3 to Frontier' Current Report on Form 8-K filed on December 2, 2020).
4.38	Indenture, dated as of November 25, 2020, by and among Frontier Communications Corporation, the guarantors party thereto, the collateral grantor party thereto and Wilmington Trust, National Association, a national banking association, as trustee and as collateral agent, with respect to the 6.750% Second Lien Secured Notes due 2029 (filed as Exhibit 4.2 to Frontier' Current Report on Form 8-K filed on December 2, 2020.)
4.39	Form of 6.750% Second Lien Secured Notes due 2029 (filed as Exhibit 4.4 to Frontier' Current Report on Form 8-K filed on December 2, 2020.)
4.40	Section 382 Rights Agreement, dated as of July 1, 2019, between Frontier and Computershare Trust Company, N.A., as rights agent (filed as Exhibit 4.1 to Frontier's Form 8-K filed July 1, 2019).
4.41	Description of Frontier's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934.*
10.1	Restructuring Support Agreement, dated as of April 14, 2020, by and among the Company Parties and the Consenting Noteholders (filed as Exhibit 10.1 to Frontier's Current Report on Form 8-K filed on April 15, 2020).
10.2	Senior Secured Superpriority Debtor-in-Possession Credit Agreement dated as of October 8, 2020, by and among Frontier Communications Corporation, Goldman Sachs Bank USA, as the administrative agent and collateral agent and the lenders party thereto (filed as Exhibit 10.1 to Frontier's Current Report on Form 8-K filed on October 14, 2020.)
10.3	Credit Agreement dated as of October 8, 2020, by and among Frontier Communications Corporation, JPMorgan Chase Bank, N.A., as the administrative agent and collateral agent and the lenders party thereto (filed as Exhibit 10.2 to Frontier's Current Report on Form 8-K filed on October 14, 2020.)
10.4	Incremental Facility Amendment No. 1, dated as of November 25, 2020, by and among Frontier Communications Corporation, the guarantors party thereto, JPMorgan Chase Bank, N.A., as administrative agent and collateral agent and each lender party thereto (filed as Exhibit 10.1 to Frontier's Current Report on Form 8-K filed on December 2, 2020.)
10.5	Employment Agreement, dated December 7, 2020, between Frontier and Nick Jeffery.*
10.6	Transition Agreement, dated February 18, 2021, between Frontier and Bernard L. Han (filed as Exhibit 10.1 to Frontier's Current Report on Form 8-K filed on February 18, 2021.).
10.7	General Release Agreement, dated September 11, 2020, between Frontier and John Maduri (filed as Exhibit 10.3 to Frontier's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020).
10.8	General Release Agreement, dated September 22, 2020, between Frontier and Elisa Bannon-Jones (filed as Exhibit 10.4 to Frontier's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020).*
10.9	Tax Sharing Agreement, dated as of May 13, 2009, by and among Verizon Communications Inc. ("Verizon"), New Communications Holdings Inc. ("Spinco") and Frontier, (filed as Exhibit 10.3 to Frontier's Current Report on Form 8-K filed on May 15, 2009).*
10.10	Agreement Regarding Intellectual Property Matters, dated as of March 23, 2010, among Frontier, Spinco and Verizon (filed as Exhibit 10.12 to the Spinco Form 10).
10.11	Non-Employee Directors' Deferred Fee Equity Plan, as amended and restated December 29, 2008 (filed as Exhibit 10.7 to Frontier's Annual Report on Form 10-K for the year ended December 31, 2008 (the "2008 10-K")).
10.12	Non-Employee Directors' Equity Incentive Plan, as amended and restated December 29, 2008 (filed as Exhibit 10.8 to the 2008 10-K).
10.13	1996 Equity Incentive Plan, as amended and restated December 29, 2008 (filed as Exhibit 10.11 to the 2008 10-K).
10.14	2013 Frontier Bonus Plan (filed as Appendix A to Frontier's Proxy Statement dated March 25, 2013 (the "2013 Proxy Statement")).
10.15	Amended and Restated 2000 Equity Incentive Plan, as amended and restated December 29, 2008 (filed as Exhibit 10.13 to the 2008 10-K).
10.16	2009 Equity Incentive Plan (filed as Appendix A to Frontier's Proxy Statement dated April 6, 2009).
10.17	2013 Equity Incentive Plan (filed as Appendix B to the 2013 Proxy Statement).*
10.18	2017 Equity Incentive Plan (filed as Annex A to Frontier's Proxy Statement dated March 28, 2017).
10.19	Offer of Employment Letter, dated January 15, 2014, between Frontier and Mark D. Nielsen (filed as Exhibit 10.1 to the June 30, 2014 10-Q).
10.20	Offer of Employment Letter, dated June 9, 2014, between Frontier and Donald W. Daniels, Jr. (filed as Exhibit 10.3 to the June 30, 2014 10-Q).

10.21	Offer of Employment Letter, dated December 6, 2016, between Frontier and Kenneth Arndt. (filed as Exhibit 10.31 to the December 31, 2017 10-K).
10.22	Offer of Employment Letter, dated October 3, 2012, between Frontier and Steven Gable. (filed as Exhibit 10.32 to the December 31, 2017 10-K).
10.23	Form of Restricted Stock Agreement. (filed as Exhibit 10.33 to the December 31, 2017 10-K).
10.24	Form of Performance Share Agreement. (filed as Exhibit 10.34 to the December 31, 2017 10-K).
10.25	Form of Restricted Cash Award Agreement. (filed as Exhibit 10.35 to the December 31, 2017 10-K).
10.26	Form of Performance Cash Award Agreement. (filed as Exhibit 10.36 to the December 31, 2017 10-K).
10.27	Summary of Non-Employee Directors' Compensation Arrangements Outside of Formal Plans (filed as Exhibit 10.29 to Frontier's Annual Report on Form 10-K for the year ended December 31, 2016).
10.28	Form of Indemnification Agreement with Directors and Officers. (filed as Exhibit 10.38 to the December 31, 2017 10-K).
10.29	Bonus Letter, dated July 17, 2019, between Frontier and Mark D. Nielsen. (filed as Exhibit 10.33 to the December 31, 2019 10-K).
10.30	Form of Acceptance of Recapture Agreement relating to Frontier's 2019 bonus plan and retention awards (filed as Exhibit 10.34 to Frontier's Annual Report on Form 10-K for the year ended December 31, 2018).
10.31	Severance Agreement, dated August 2, 2019, between Frontier and Daniel J. McCarthy (filed as Exhibit 10.2 to Frontier's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019).
10.32	Offer of Employment Letter, dated June 7, 2019, between Frontier and Sheldon L. Bruha (filed as Exhibit 10.1 to Frontier's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019).
10.33	Form of Severance Agreement for Frontier's Senior Leadership Team (filed as Exhibit 10.3 to Frontier's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019).
10.34	Employment Agreement between Frontier and Bernard L. Han (filed as Exhibit 10.1 to Frontier's Current Report on Form 8-K filed on December 3, 2019).
10.36	Release Agreement between Frontier and Daniel J. McCarthy (filed as Exhibit 10.2 to Frontier's Current Report on Form 8-K filed on December 3, 2019).
21	Subsidiaries of the Registrant.*
23	Consent of Independent Registered Public Accounting Firm.*
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934 (the "1934 Act").*
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) under the 1934 Act.*
32	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
101	The following materials from Frontier's Annual Report on Form 10-K for the year ended December 31, 2020, formatted in iXBRL (inline eXtensible Business Reporting Language): (i) the Consolidated Balance Sheets; (ii) the Consolidated Statements of Operations; (iii) the Consolidated Statements of Comprehensive Loss; (iv) the Consolidated Statements of Equity (Deficit); (v) the Consolidated Statements of Cash Flows; and (vi) Notes to Consolidated Financial Statements.
104	Cover Page from Frontier's Annual Report on Form 10-K for the year ended December 31, 2020, formatted in iXBRL and contained in Exhibit 101.

Exhibits 10.5 through 10.36 are management contracts or compensatory plans or arrangements.

* Filed here with.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FRONTIER COMMUNICATIONS CORPORATION
(Registrant)

By: /s/ Bernard L. Han
Bernard L. Han
President and Chief Executive Officer

March 3, 2021

FRONTIER COMMUNICATIONS CORPORATION AND SUBSIDIARIES
(DEBTOR-IN-POSSESSION)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on the third day of March 2021.

Signature	Title
/s/ Kevin L. Beebe (Kevin L. Beebe)	Director
/s/ Sheldon Bruha (Sheldon Bruha)	Executive Vice President, Chief Financial Officer (Principal Financial Officer)
/s/ Peter C. B. Bynoe (Peter C. B. Bynoe)	Director
/s/ Donald Daniels (Donald Daniels)	Senior Vice President & Chief Accounting Officer (Principal Accounting Officer)
/s/ Diana S. Ferguson (Diana S. Ferguson)	Director
/s/ Edward Fraioli (Edward Fraioli)	Director
/s/ Bernard L. Han (Bernard L. Han)	President & Chief Executive Officer (Principal Executive Officer)
/s/ Paul M. Keglevic (Paul M. Keglevic)	Director
/s/ Mohsin Y. Meghji (Mohsin Y. Meghji)	Director
/s/ Pamela D.A. Reeve (Pamela D.A. Reeve)	Director
/s/ Robert A. Schriesheim (Robert A. Schriesheim)	Director

FRONTIER COMMUNICATIONS CORPORATION AND SUBSIDIARIES
(DEBTOR-IN-POSSESSION)
Index to Consolidated Financial Statements

Management's Report On Internal Control Over Financial Reporting

The Board of Directors and Shareholders
Frontier Communications Corporation:

The management of Frontier Communications Corporation and subsidiaries is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f).

Under the supervision and with the participation of our management, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on our evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2020.

Our independent registered public accounting firm, KPMG LLP, has audited the consolidated financial statements included in this report and, as part of their audit, has issued their report, included herein, on the effectiveness of our internal control over financial reporting.

/s/ Bernard L. Han	/s/ Sheldon Bruha
Bernard L. Han	Sheldon Bruha
President and Chief Executive Officer	Executive Vice President, Chief Financial Officer

Norwalk, Connecticut
March 3, 2021

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders

Frontier Communications Corporation:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Frontier Communications Corporation and subsidiaries (Debtor-In-Possession) (the Company) as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive loss, equity (deficit), and cash flows for each of the years in the three year period ended December 31, 2020, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the years in the three year period ended December 31, 2020, 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) (PCAOB), the Company's internal control over financial reporting as of December 31, 2020, 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 March 3, 2021 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has filed petitions for relief under Chapter 11 of the U.S. Bankruptcy Code on April 14, 2020. The Company stated that this matter raises raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

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 are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Accompanying Supplemental Information

The supplemental information contained in the Schedule of Pledged Subsidiary Financial Data has been subjected to audit procedures performed in conjunction with the audit of the Company's consolidated financial statements. The supplemental information is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental information reconciles to the consolidated financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with U.S. generally accepted accounting principles. In our opinion, the supplemental information contained in the Schedule of Pledged Subsidiary Financial Data is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Evaluation of Revenue

As discussed in Note 4 to the consolidated financial statements, the Company had $7.155 billion in revenues for the year ended December 31, 2020, of which $3.586 billion was consumer related and $3.195 billion was commercial related. Each of these categories of revenue has multiple revenue streams, and the Company's process for revenue recognition differs among these discrete revenue streams.

We identified the evaluation of certain revenue streams as a critical audit matter. Obtaining an understanding of processes, systems and databases used in the Company's revenue recognition process involved especially challenging auditor judgment and required specialized knowledge related to IT applications. Specifically, evaluating the processes and the related internal controls for revenue streams associated with data and internet services, voice services and video services, including the number of related IT applications and interfaces, required significant auditor effort.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the evaluation of revenue, including general IT controls and IT application controls. We involved IT professionals with specialized skills and knowledge, who assisted in testing certain IT applications that are used by the Company in its revenue recognition process. We evaluated the Company's revenue recognition policies and practices for the above noted revenue streams by examining the Company's terms and conditions of sale by comparing a selection of customer contracts and invoices to the contractual terms and conditions. For all revenue streams, including data and internet services, voice services and video services, we assessed the recorded revenue by comparing the total cash received related to current year revenue transactions during the year to the revenue recorded in the general ledger.

/s/ KPMG LLP

We have served as the Company's auditor since 1936.

Stamford, Connecticut
March 3, 2021

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders

Frontier Communications Corporation:

Opinion on Internal Control Over Financial Reporting

We have audited Frontier Communications Corporation and subsidiaries' (Debtor-In-Possession) (the Company) internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive loss, equity (deficit), and cash flows for each of the years in the three-year period ended December 31, 2020, and the related notes (collectively, the consolidated financial statements), and our report dated March 3, 2021 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report On Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Stamford, Connecticut
March 3, 2021

FRONTIER COMMUNICATIONS CORPORATION AND SUBSIDIARIES
(DEBTOR-IN-POSSESSION)

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2020 AND 2019
($ in millions and shares in thousands, except for per-share amounts)

	2020	2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,829	$ 760
Accounts receivable, less allowances of $130 and $120, respectively	553	629
Contract acquisition costs	97	105
Prepaid expenses	90	89
Assets held for sale	-	1,401
Income taxes and other current assets	85	53
Total current assets	2,654	3,037
Property, plant and equipment, net	12,931	12,963
Other intangibles, net	677	1,020
Other assets	533	468
Total assets	$ 16,795	$ 17,488
LIABILITIES AND EQUITY (DEFICIT)		
Current liabilities:		
Long-term debt due within one year	$ 5,781	$ 994
Accounts payable	540	437
Advanced billings	202	219
Accrued other taxes	204	206
Accrued interest	47	407
Pension and other postretirement benefits	48	43
Liabilities held for sale	-	123
Other current liabilities	318	375
Total current liabilities	7,140	2,804
Deferred income taxes	343	462
Pension and other postretirement benefits	2,195	1,896
Other liabilities	452	412
Long-term debt	-	16,308
Total liabilities not subject to compromise	10,130	21,882
Liabilities subject to compromise	11,565	-
Total liabilities	21,695	21,882
Equity (Deficit):		
Common stock, $0.25 par value (175,000 authorized shares, 106,025 issued, and 104,793 and 105,131 outstanding, at December 31, 2020 and 2019, respectively)	27	27
Additional paid-in capital	4,817	4,815
Accumulated deficit	(8,975)	(8,573)
Accumulated other comprehensive loss, net of tax	(755)	(650)
Treasury common stock	(14)	(13)
Total equity (deficit)	(4,900)	(4,394)
Total liabilities and equity (deficit)	$ 16,795	$ 17,488

The accompanying Notes are an integral part of these Consolidated Financial Statements.

FRONTIER COMMUNICATIONS CORPORATION AND SUBSIDIARIES
(DEBTOR-IN-POSSESSION)

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018
($ in millions and shares in thousands, except for per-share amounts)

	2020	2019	2018
Revenue	$ 7,155	$ 8,107	$ 8,611
Operating expenses:			
Network access expenses	975	1,247	1,441
Network related expenses	1,726	1,810	1,898
Selling, general and administrative expenses	1,648	1,804	1,815
Depreciation and amortization	1,598	1,780	1,954
Goodwill impairment	-	5,725	641
Loss on disposal of Northwest Operations	162	446	-
Restructuring costs and other charges	87	168	35
Total operating expenses	6,196	12,980	7,784
Operating income (loss)	959	(4,873)	827
Investment and other income (loss), net	(43)	(37)	13
Pension settlement costs	(159)	(57)	(41)
Gains (Loss) on early extinguishment of debt	(72)	(20)	32
Reorganization items, net	(409)	-	-
Interest expense (contractual interest for the year ended December 31, 2020 was $1,456 million)	(762)	(1,535)	(1,536)
Loss before income taxes	(486)	(6,522)	(705)
Income tax benefit	(84)	(611)	(62)
Net loss	(402)	(5,911)	(643)
Less: Dividends on preferred stock	-	-	107
Net loss attributable to Frontier common shareholders	$ (402)	$ (5,911)	$ (750)
Basic and diluted net loss per share attributable to Frontier common shareholders	$ (3.85)	$ (56.80)	$ (8.37)
Total weighted average shares outstanding - basic and diluted	104,467	104,065	89,683

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018
($ in millions)

	2020	2019	2018
Net loss	$ (402)	$ (5,911)	$ (643)
Other comprehensive loss, net of tax	(105)	(108)	(97)
Comprehensive loss	$ (507)	$ (6,019)	$ (740)

The accompanying Notes are an integral part of these Consolidated Financial Statements.

FRONTIER COMMUNICATIONS CORPORATION AND SUBSIDIARIES
(DEBTOR-IN-POSSESSION)

CONSOLIDATED STATEMENTS OF EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018
($ in millions and shares in thousands)

	Preferred Stock		Common Stock		Additional Paid-In	Accumulated	Accumulated Other Comprehensive	Treasury Common Stock		Total Equity
	Shares	Amount	Shares	Amount	Capital	Deficit	Loss	Shares	Amount	(Deficit)
Balance at December 31, 2017	19,250	$ -	79,532	$ 20	$ 5,034	$ (2,263)	$ (366)	(1,091)	$ (151)	$ 2,274
Impact of adoption of ASC 606	-	-	-	-	-	154	-	-	-	154
Conversion of preferred stock	(19,250)	-	25,529	7	(7)	-	-	-	-	-
Stock plans	-	-	964	-	(118)	-	-	602	137	19
Dividends on preferred stock ($5.56 per share)	-	-	-	-	(107)	-	-	-	-	(107)
Net loss	-	-	-	-	-	(643)	-	-	-	(643)
Other comprehensive loss, net of tax	-	-	-	-	-	-	(97)	-	-	(97)
Balance at December 31, 2018	-	-	106,025	27	4,802	(2,752)	(463)	(489)	(14)	1,600
ASC 842 transition adjustment	-	-	-	-	-	11	-	-	-	11
Impact of adoption of ASU 2018-02	-	-	-	-	-	79	(79)	-	-	-
Stock plans	-	-	-	-	13	-	-	(405)	1	14
Net loss	-	-	-	-	-	(5,911)	-	-	-	(5,911)
Other comprehensive loss, net of tax	-	-	-	-	-	-	(108)	-	-	(108)
Balance at December 31, 2019	-	-	106,025	27	4,815	(8,573)	(650)	(894)	(13)	(4,394)
Stock plans	-	-	-	-	2	-	-	(338)	(1)	1
Net loss	-	-	-	-	-	(402)	-	-	-	(402)
Other comprehensive loss, net of tax	-	-	-	-	-	-	(105)	-	-	(105)
Balance at December 31, 2020	-	$ -	106,025	$ 27	$ 4,817	$ (8,975)	$ (755)	(1,232)	$ (14)	$ (4,900)

The accompanying Notes are an integral part of these Consolidated Financial Statements.

FRONTIER COMMUNICATIONS CORPORATION AND SUBSIDIARIES
(DEBTOR-IN-POSSESSION)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018
($ in millions)

	2020	2019	2018
Cash flows provided from (used by) operating activities:			
Net loss	$ (402)	$ (5,911)	$ (643)
Adjustments to reconcile net loss to net cash provided from (used by) operating activities:			
Depreciation and amortization	1,598	1,780	1,954
(Gain) Loss on early extinguishment of debt	72	20	(32)
Pension settlement costs	159	57	41
Pension/OPEB special termination benefit enhancements	-	44	-
Stock-based compensation expense	3	15	18
Amortization of deferred financing costs	15	30	34
Non-cash reorganization items	93	-	-
Other adjustments	6	-	(32)
Deferred income taxes	(91)	(619)	(67)
Goodwill Impairment	-	5,725	641
Loss on disposal of Northwest Operations	162	446	-
Change in accounts receivable	73	48	65
Change in accounts payable and other liabilities	342	(122)	(141)
Change in prepaid expenses, income taxes and other assets	(41)	(5)	(26)
Net cash provided from operating activities	1,989	1,508	1,812
Cash flows provided from (used by) investing activities:			
Capital expenditures - Business operations	(1,181)	(1,226)	(1,192)
Proceeds from sale of Northwest Operations	1,131	-	-
Proceeds on sale of assets	27	88	11
Other	4	4	5
Net cash used by investing activities	(19)	(1,134)	(1,176)
Cash flows provided from (used by) financing activities:			
Long-term debt payments	(4,948)	(2,008)	(2,515)
Proceeds from long-term debt borrowings	4,950	1,650	1,840
Proceeds from revolving debt	-	949	525
Repayment of revolving debt	(749)	(475)	(250)
Financing costs paid	(121)	(44)	(43)
Dividends paid on preferred stock	-	-	(107)
Premium paid to retire debt	-	-	(17)
Finance lease obligation payments	(23)	(35)	(36)
Other	(2)	(5)	(5)
Net cash provided from (used by) financing activities	(893)	32	(608)
Increase (Decrease) in cash, cash equivalents and restricted cash	1,077	406	28
Cash, cash equivalents and restricted cash at January 1,	810	404	376
Cash, cash equivalents and restricted cash at December 31,	$ 1,887	$ 810	$ 404
Supplemental cash flow information:			
Cash paid (received) during the period for:			
Interest	$ 612	$ 1,469	$ 1,507
Income tax payments, net	$ 8	$ 4	$ 4
Reorganization items, net	$ 270	$ -	$ -
Non-cash investing and financing activities:			
Financing obligation for contributions of real property to pension plan	$ -	$ -	$ 37
Reduction of pension obligation	$ -	$ -	$ 37
Increase (Decrease) in capital expenditures due to changes in accounts payable	$ (117)	$ 13	$ -

The accompanying Notes are an integral part of these Consolidated Financial Statements.

(1) Description of Business and Summary of Significant Accounting Policies:

(a) Description of Business:
Frontier Communications Corporation (Frontier) is a provider of communications services in the United States, with approximately 3.6 million customers, 3.1 million broadband subscribers and 16,200 employees, operating in 25 states. Frontier was incorporated in 1935, originally under the name of Citizens Utilities Company and was known as Citizens Communications Company until July 31, 2008. Frontier and its subsidiaries are referred to as “we,” “us,” “our,” “Frontier,” or the “Company” in this report.

(b) Basis of Presentation and Use of Estimates:
Our consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). Certain reclassifications of amounts previously reported have been made to conform to the current presentation. All significant intercompany balances and transactions have been eliminated in consolidation.

For our financial statements as of and for the period ended December 31, 2020, we evaluated subsequent events and transactions for potential recognition or disclosure through the date that we filed this Form 10-K with the Securities and Exchange Commission (SEC).

The preparation of our financial statements in conformity with GAAP requires management to make estimates and assumptions that affect (i) the reported amounts of assets and liabilities at the date of the financial statements, (ii) the disclosure of contingent assets and liabilities, and (iii) the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates. Estimates and judgments are used when accounting for the allowance for doubtful accounts, asset impairments, indefinite-lived intangibles, depreciation and amortization, income taxes, business combinations, and pension and other postretirement benefits, among others.

(c) Going Concern:
In connection with the preparation of our consolidated financial statements, we conducted an evaluation as to whether there were conditions and events, considered in the aggregate, which raised substantial doubt as to the entity’s ability to continue as a going concern within one year after the date of the issuance of our consolidated financial statements. Our consolidated financial statements have been prepared assuming that we will continue as a going concern, which contemplates continuity of operations, realization of assets, and satisfaction of liabilities in the normal course of business.

On April 14, 2020 (the Petition Date), Frontier Communications Corporation and its subsidiaries (collectively, the Company Parties or the Debtors and, as they may be reorganized pursuant to the Plan, the Reorganized Company Parties or the Reorganized Debtors) commenced cases under chapter 11 (the Chapter 11 Cases) of title 11 of the United States Code (the Bankruptcy Code) in the U.S. Bankruptcy Court for the Southern District of New York (the Bankruptcy Court). On May 15, 2020, the Company Parties filed a proposed Joint Plan of Reorganization and related Disclosure Statement, each of which were amended on June 26, 2020, June 29, 2020 and June 30, 2020. On May 15, 2020, the Debtors also filed a proposed order approving the Disclosure Statement and various plan solicitation materials, including the solicitation and voting procedures, which was revised on June 29, 2020 (including modifications to some of the exhibits). On June 30, 2020, the Bankruptcy Court entered the modified order approving the adequacy of the Disclosure Statement and the solicitation and notice procedures and the forms of voting ballots and notices in connection therewith. The order established June 29, 2020 as the voting record date, July 2, 2020 as the solicitation launch date and July 31, 2020 as the voting deadline. On August 21, 2020, the Company Parties filed the *Fifth Amended Joint Plan of Reorganization of Frontier Communications Corporation and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* (the Plan) with the Bankruptcy Court.

On August 27, 2020, the Bankruptcy Court entered *the Order Confirming the Fifth Amended Joint Plan of Reorganization of Frontier Communications Corporation and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* (the Confirmation Order), which approved and confirmed the Plan. The effective date of the Plan will occur once all conditions precedent to the Plan have been satisfied (the Effective Date).

Our ability to continue as a going concern is contingent upon, among other things, our ability to, subject to the Bankruptcy Court's approval, implement the Plan, successfully emerge from the Chapter 11 Cases and generate sufficient liquidity from the Restructuring to meet our obligations and operating needs. As a result of risks and uncertainties related to (i) the Company's ability to successfully consummate the Plan and emerge from the Chapter 11 Cases, and (ii) the effects of disruption from the Chapter 11 Cases making it more difficult to maintain business, financing and operational relationships, together with the Company's recurring losses from operations and accumulated deficit, substantial doubt exists regarding our ability to continue as a going concern. For detailed discussion about the Chapter 11 Cases and the Plan, refer to Note 3.

Our consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should we be unable to continue as a going concern.

The filing of the Chapter 11 Cases constituted an event of default that accelerated substantially all of our obligations under the JPM Credit Agreement (as defined herein), the Company's 8.000% first lien secured notes due April 1, 2027 (the Original First Lien Notes), the Company's 8.500% second lien secured notes due April 1, 2026 (the Original Second Lien Notes), our unsecured notes and debentures and the secured and unsecured debentures of our subsidiaries. As of December 31, 2020, amounts that were outstanding under the JPM Credit Agreement, our Original First Lien Notes, and our Original Second Lien Notes have been repaid in full. We have reclassified our unsecured notes and debentures and the secured and unsecured debentures of our subsidiaries to "Long term debt due within one year" or "Liabilities Subject to Compromise", based on the event of default or reinstatement provisions of each security in the Restructuring Support Agreement, on our consolidated balance sheet as of December 31, 2020. For additional discussion related to our debt obligations, and details of our refinancing of our secured debt, refer to Note 9.

(d) Impact of COVID-19:

On March 11, 2020, the World Health Organization declared the highly contagious and lethal corona virus outbreak a global pandemic (COVID-19) and recommended containment and other mitigation measures worldwide to lessen the transmission of COVID-19. In the first half of 2020, governments from around the world, including the United States federal government as well as state and local governments reacted to this public health crisis, imposing travel restrictions and restrictions on large gatherings of people, which includes school and non-essential business closures. The rapid spread of COVID-19 and the drastic responses being taken to curb its spread have resulted in a significant negative impact to the global and domestic economies, which will increase the longer these limitations are in place. In an effort to reduce the economic impacts of COVID-19, the United States federal government has responded with multiple stimulus bills, including the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the largest economic stimulus legislation in American history. Despite these efforts, the short-term and long-term impacts of COVID-19 cannot be determined.

With more people staying at home and an increased reliance on broadband and telephone networks, the Federal Communications Commission (FCC) issued the Keep Americans Connected Pledge on March 11, 2020, which provided for telecommunication providers, including Frontier, to not terminate service and to waive any late payment fees through June 30, 2020 for certain customers due to economic circumstances they are facing related to COVID-19 as well as making WIFI hotspots available to all Americans who need them. In addition, some of the states we operate in have issued executive orders as a result of COVID-19 that further impact our business, including prohibiting the disconnection of services for customers for the length of the state of emergency. While the initial 60-day period of the Keep Americans Connected Pledge has expired, state and federal governments continue to ask companies to aid in pandemic response. While certain customers have taken advantage of our COVID-19 related relief programs, as of December 31, 2020, very few had past due balances beyond the point of normal disconnection.

In addition to committing to the Keep Americans Connected Pledge, Frontier's response to COVID-19 has included several operational safety precautions such as limiting our product offerings in certain markets for certain periods, including not allowing our field service employees to enter a customer's home for a period of time, a limitation which is no longer in effect. We are continuing to require personal protective equipment on any employees entering a customer location. The percentage of Frontier's employees who have reported

testing positive for COVID-19 is small and continues to track below the percentage of reported cases both nationally and in those states in which Frontier has a significant number of employees. Through December 31, 2020, we had not experienced any significant disruptions in our supply chain; however, some of our business partners, particularly those vendors operating outside of the United States, have been more greatly impacted which has affected our service levels and distribution of work.

As the COVID-19 pandemic continues, certain states are currently considering legislation or other regulations to adopt additional protections for workers impacted by COVID-19. To date, we have not experienced significant disruptions in our workforce due to COVID-19 related absences or legislative or regulatory changes.

Given the unprecedented and evolving nature of the pandemic and the swift moving response of multiple levels of government as well as the uncertainty of funding available for services provided, the full impact of these changes and potential changes on the Company are unknown at this time.

While overall the operational and financial impacts to Frontier of the COVID-19 pandemic for the year ended December 31, 2020 were not significant, we continue to closely monitor the ongoing impact to our employees, our customers, our business and our results of operations. We have experienced a slowdown in service activations and an increase in deactivations for our SMB customers; to date, these negative impacts have been partially offset by higher residential activations and lower churn. We also continue to closely track our customers' payment activity as well as external factors, including the expiration of federal wage subsidies for individuals and small businesses which could materially impact payment trends. With more people working from home, we have experienced higher demands on our network and higher sales activity for our residential broadband service offering. This sustained increase in network demand could lead to reduced network availability and potential outages, which may impair our ability to meet customer service level commitments, lead to higher costs, higher customer churn and potential increased regulatory actions. These potential changes, among others, could have a material financial impact to Frontier.

(e) Debtor-In-Possession:
In general, as debtors-in-possession under the Bankruptcy Code, we are authorized to continue to operate as an ongoing business but may not engage in transactions outside the ordinary course of business without the prior approval of the Bankruptcy Court. Pursuant to certain motions and applications intended to limit the disruption of the bankruptcy proceedings on our operations (the First Day Motions) and other motions filed with the Bankruptcy Court, the Bankruptcy Court has authorized us to conduct our business activities in the ordinary course, including, among other things and subject to the terms and conditions of such orders, authorizing us to obtain DIP financing, pay employee wages and benefits, settle certain de minimis disputes and pay vendors and suppliers in the ordinary course for all goods and services.

(f) Cash Equivalents:
We consider all highly liquid investments with an original maturity of three months or less to be cash equivalents. Restricted cash of $58 million and $50 million is included within "other assets" on our consolidated balance sheet as of December 31, 2020 and 2019, respectively. These amounts represent Letters of Credit Obligations and utility adequate assurance account that is required under bankruptcy rules.

(g) Revenue Recognition:
Revenue for data & Internet services, voice services, video services and switched and non-switched access services is recognized as the individual performances obligations to the customer are satisfied. Services that are billed in advance include monthly recurring network access services (including data services), special access services, and monthly recurring voice, video, and related charges. Revenue is recognized as services are provided by measuring progress toward the complete satisfaction of the Company's performance obligations. Progress is measured monthly based on months completed as a portion of the total contract. The unearned portion of these fees is initially deferred as a component of "Advanced billings" on our consolidated balance sheet and recognized as revenue over the period that the services are provided. Services that are billed in arrears include non-recurring network access services (including data services), switched access services, and non-recurring voice and video services. The earned but unbilled portion of these fees is recognized as revenue in our consolidated statements of operations and accrued in "Accounts receivable" on our consolidated balance sheet in the period that services are provided. Excise taxes are recognized as a liability when billed.

Satisfaction of Performance Obligations
Frontier satisfies its obligations to customers by transferring goods and services in exchange for consideration received from the customer. The timing of Frontier's satisfaction of the performance obligation often differs from the timing of the customer's payment, which results in the recognition of a contract asset or a contract liability. Frontier recognizes a contract asset or liability when the Company transfers goods or services to a customer and bills an amount which differs from the revenue allocated to the related performance obligations.

Bundled Service and Allocation of Discounts
When customers purchase more than one service, the revenue allocable to each service is determined based upon the relative stand-alone selling price of each service received. We frequently offer service discounts as an incentive to customers. Service discounts reduce the total transaction price allocated to the performance obligations that are satisfied over the term of the customer contract. We may also offer incentives which are considered cash equivalents (e.g. Visa gift cards) that similarly result in a reduction of the total transaction price as well as lower revenue over the term of the contract. A contract asset is often created during the beginning of the contract term when the term of the incentive is shorter than the contract term. These contract assets are realized over the term of the contract as our performance obligations are satisfied and customer consideration is received.

Customer Incentives
In the process of acquiring and/or retaining customers, we may issue a variety of other incentives aside from service discounts or cash equivalent incentives. Those incentives that have stand-alone value (e.g. gift cards not considered cash equivalents or free goods/services) are considered a separate performance obligation. As a result, while these incentives are free to the customer, a portion of the consideration received from the customer over the contract term is ascribed to them based upon their relative stand-alone selling price. The revenue, reflected in "Other" revenue, and costs, reflected in "Network access expenses", for these incentives are recognized when they are delivered to the customer and the performance obligation is satisfied. Similar to discounts, these types of incentives generally result in the creation of a contract asset during the beginning of the contract term which is recorded in Other current assets and Other assets on our consolidated balance sheet.

Upfront Fees
All non-refundable upfront fees provide our customers with a material right to renew, and therefore, are deferred and amortized into revenue over the expected period for which related services are provided. With upfront fees assessed at the beginning of a contract, a contract liability is often created, which is reduced over the term of the contract as the performance obligations are satisfied. The contract liabilities are recorded in Other current liabilities and Other liabilities on our consolidated balance sheet.

Contributions in Aid of Construction (CIAC)
It is customary for us to charge customers for certain construction activities. These activities are requested by the customer and construction charges are assessed at the beginning of a contract. When charges are incurred, a contract liability is often created, which is reduced over the term of the contract as performance obligations are satisfied. The contract liabilities are recorded in Other current liabilities and Other liabilities on our consolidated balance sheet.

Contract Acquisition Costs
Certain costs to acquire customers are deferred and amortized over the expected customer life (average of 4.0 years). For Frontier, this includes certain commissions paid to acquire new customers. Commissions attributable to new customer contracts are deferred and amortized into expense. Unamortized deferred commissions are recorded in Contract acquisition costs and Other assets on our consolidated balance sheet.

Surcharges and Subsidies
Frontier collects various taxes from its customers and subsequently remits these taxes to governmental authorities. Substantially all of these taxes are recorded through the consolidated balance sheet and presented on a net basis in our consolidated statements of operations. We also collect Universal Service Fund (USF)

surcharges from customers (primarily federal USF), of $193 million, $221 million, and $213 million for the years ended December 31, 2020, 2019 and 2018, respectively, and video franchise fees of $30 million, $40 million, and $47 million for the years ended December 31, 2020, 2019, and 2018, respectively, that we have recorded on a gross basis in our consolidated statements of operations and included within "Revenue" and "Network related expenses.

We accepted the FCC's Connect America Fund (CAF) Phase II and RDOF offers of support, which are intended to provide long-term support for broadband in high cost unserved or underserved areas. We are recognizing these FCC subsidies into revenue on a straight-line basis over the seven year funding term for CAF Phase II and the ten year funding term for RDOF.

(h) Property, Plant and Equipment:
Property, plant and equipment are stated at original cost, including capitalized interest, or fair market value as of the date of acquisition for acquired properties. Maintenance and repairs are charged to operating expenses as incurred. The gross book value of routine property, plant and equipment retirements is charged against accumulated depreciation

(i) Definite and Indefinite Lived Intangible Assets:
Intangible assets arising from business combinations, such as customer lists, royalty agreements, and tradenames, are initially recorded at estimated fair value**.** Frontier amortizes its customer list and certain other finite-lived intangible assets over their estimated useful lives on the accelerated method of sum of the years' digits and its royalty agreement over its estimated useful life on the straight-line method. Definite lived and Indefinite lived intangible assets are assessed for impairment annually, as of December 31, or more frequently, if events or changes in circumstances indicate the estimated fair value may be less than the carrying amount. Additionally, Frontier reviews whether factors exist that would necessitate a change in useful life and a different amortization period.

(j) Impairment of Long-Lived Assets and Long-Lived Assets to Be Disposed Of:
We review long-lived assets to be held and used, including customer lists and property, plant and equipment, and long-lived assets to be disposed of for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of assets to be held and used is measured by comparing the carrying amount of the asset to the future undiscounted net cash flows expected to be generated by the asset. Recoverability of assets held for sale is measured by comparing the carrying amount of the assets to their estimated fair market value. If any assets are considered to be impaired, the impairment is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value. Also, we periodically reassess the useful lives of our long-lived assets to determine whether any changes are required.

(k) Lease Accounting:
We determine if an arrangement contains a lease at inception. Right-of-use (ROU) assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating and Finance lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The operating and finance lease ROU asset also includes any lease payments made and excludes lease incentives. Our lease terms used in accounting for leases may reflect options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for operating leases is recognized on a straight-line basis over the lease term. ROU assets for operating leases are recorded to "Other Assets", and the related liabilities recorded to "Other current liabilities", and "Other liabilities" on our consolidated balance sheets. Assets subject to finance leases are included in "Property, Plant & Equipment", with corresponding liabilities recorded to "Other current liabilities", and "Other liabilities" on our consolidated balance sheets.

(l) Income Taxes and Deferred Income Taxes:
We file a consolidated federal income tax return. We utilize the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred income taxes are recorded for the tax effect of

temporary differences between the financial statement basis and the tax basis of assets and liabilities using tax rates expected to be in effect when the temporary differences are expected to reverse.

We recognize deferred tax assets to the extent that we believe that these assets are more likely than not to be realized. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If we determine that we are not able to realize a portion of our net deferred tax assets in the future, we would make an adjustment to the deferred tax asset valuation allowance, which would increase the provision for income taxes.

The tax effect of a change in tax law or rates included in income tax expense from continuing operations includes effect of changes in deferred tax assets and liabilities initially recognized through a charge or credit to other comprehensive income (loss). The residual tax effects typically are released when the item giving rise to the tax effect is disposed of, liquidated, or terminated. Since the Company has adopted the portfolio approach to release the residual tax effects, there is no release for the residual tax effect from the sale of our Northwest Operations.

(m) Stock Plans:
We have various stock-based compensation plans. Awards under these plans are granted to eligible employees and directors. Awards may be made in the form of incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock, restricted stock units or other stock-based awards, including awards with performance, market and time-vesting conditions. Our general policy is to issue shares from treasury upon the grant of restricted shares, earning of performance shares and the exercise of options.

The compensation cost recognized is based on awards ultimately expected to vest. GAAP requires forfeitures to be estimated and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

(n) Net Loss Per Share Attributable to Frontier Common Shareholders:
Basic net loss per common share is computed using the weighted average number of common shares outstanding during the period being reported on, excluding unvested restricted stock awards. The impact of dividends paid on unvested restricted stock awards have been deducted in the determination of basic and diluted net income (loss) per share attributable to Frontier common shareholders. Except when the effect would be antidilutive, diluted net income per common share reflects the dilutive effect of certain common stock equivalents, as described further in Note 16 – Net Loss Per Common Share.

(o) Assets Held for Sale:
We classify assets and related liabilities as held for sale when the following criteria are met: when management has committed to a plan to sell the asset, the asset is available for immediate sale, there is an active program to locate a buyer and the sale and transfer of the asset is probable within one year. Assets and liabilities are presented separately on the Consolidated Balance Sheets with a valuation allowance, if necessary, to recognize the net carrying amount at the lower of cost or fair value, less costs to sell. Depreciation and amortization for property, plant and equipment and finite-lived intangible assets, are not recorded while these assets are classified as held for sale. Assets held for sale are tested for recoverability each period that they are classified as held for sale.

On May 1, 2020, Frontier completed the sale of its operations and associated assets in Washington, Oregon, Idaho, and Montana (Northwest Operations or Northwest Ops). As of December 31, 2019, the assets and liabilities of the Northwest Operations were classified as held for sale on our consolidated balance sheets, and the amounts and information of the Company in the footnotes as they are presented do not include assets and liabilities that have been reclassified, refer to Note 8.

(2) Recent Accounting Pronouncements:

Recently Adopted Accounting Pronouncements

Changes to the Disclosure Requirements for Defined Benefit Plans
In August 2018, the FASB issued ASU 2018-14, “Compensation-Retirement Benefits-Defined Benefit Plans-General: Disclosure Framework-Changes to the Disclosure Requirements for Defined Benefit Plans”. This standard eliminates requirements for certain disclosures that are not considered cost beneficial, clarifies certain required disclosures and adds additional disclosures under defined benefit pension plans and other postretirement plans. The amendments in the standard were early-adopted, as permitted, and the Company applied on a retrospective basis effective January 1, 2020.

Changes to the Disclosure Requirements for Fair Value Measurement
In August 2018, the FASB issued ASU 2018-13, “Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement,” which adds, removes, and modifies certain disclosures required by ASC 820. ASU 2018-13 is effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Frontier adopted this standard effective January 1, 2020. New disclosures related to this standard have been included in Note 21 related to our Level 3 assets.

Simplifying the Accounting for Income Taxes
In December 2019, the FASB issued ASU 2019-12, “Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes.” This standard simplifies the accounting for income taxes by removing certain exceptions to the general principles in Topic 740. The amendments also improve consistent application of and simplify GAAP for other areas of Topic 740 by clarifying and amending existing guidance. ASU 2019-12 is effective for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years. Early adoption is permitted. Frontier early-adopted this standard on January 1, 2020, with no impact on our consolidated financial statements.

Codification Improvements to Financial Instruments
In March 2020, the FASB issued ASU 2020-03, “Codification Improvements to Financial Instruments.” This standard included various clarifications and improvements related to financial instruments including the modification of required disclosures for assets measured using the net asset value. These changes were effective upon the final issuance of the standard and have been applied to our fair value disclosures included in Note 21.

Recent Accounting Pronouncements Not Yet Adopted

Financial Instrument Credit Losses
In June 2016, The FASB issued ASU 2016-13, “Financial Instruments – Credit Losses”. This standard, along with its amendments, update the current financial statement impairment model requiring entities to use a forward-looking approach based on expected losses to estimate credit losses on certain types of financial instruments, including trade receivables. ASU 2016-13 is effective for fiscal years beginning after December 15, 2022, with early adoption permitted. Frontier is currently evaluating the impact of adopting this standard on our consolidated financial statements.

Reference Rate Reform
In March 2020, the FASB issued ASU 2020-04, “Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting”. This standard provides optional expedients, and allows for certain exceptions to existing GAAP, for contract modifications triggered by the expected market transition of certain benchmark interest rates to alternative reference rates. The standard applies to contracts and other arrangements that reference the London Interbank Offering Rate (LIBOR) or any other rates ending after December 31, 2022. Frontier is evaluating the impact of the adoption of this standard, including optional expedients, on our consolidated financial statements.

(3) Chapter 11 Filing and Other Related Matters:

Filing of Chapter 11 Bankruptcy
On April 14, 2020, the Company Parties entered into a Restructuring Support Agreement (the Restructuring Support Agreement) with certain of its noteholders (the Consenting Noteholders). The Restructuring Support Agreement contemplates agreed-upon terms for a pre-arranged financial restructuring plan that leaves unimpaired all general unsecured creditors and holders of secured debt and subsidiary debt.

Under the Restructuring Support Agreement, the Consenting Noteholders agreed, subject to certain terms and conditions, to support a financial restructuring (the Restructuring) of the existing debt of, existing equity interests in, and certain other obligations of the Company Parties, pursuant to the Plan to be filed in the Chapter 11 Cases.

To implement the Plan, on the Petition Date, the Company Parties filed the Chapter 11 Cases. Each Company Party continues to operate its business as a “debtor in possession” under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code and the orders of the Bankruptcy Court. The Chapter 11 Cases are being jointly administered under the caption *In re Frontier Communications Corporation., et al., Case No. 20-22476* (RDD).

On May 15, 2020, the Company Parties filed a proposed Joint Plan of Reorganization and related Disclosure Statement, each of which were amended on June 26, 2020, June 29, 2020 and June 30, 2020. On May 15, 2020, the Debtors also filed a proposed order approving the Disclosure Statement and various plan solicitation materials, including the solicitation and voting procedures, which was revised on June 29, 2020 (including modifications to some of the exhibits). On June 30, 2020, the Bankruptcy Court entered the modified order approving the adequacy of the Disclosure Statement and the solicitation and notice procedures and the forms of voting ballots and notices in connection therewith. The order established June 29, 2020 as the voting record date, July 2, 2020 as the solicitation launch date and July 31, 2020 as the voting deadline. On August 21, 2020, the Company Parties filed the Fifth Amended Joint Plan of Reorganization of Frontier Communications Corporation and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code (the Plan) with the Bankruptcy Court.

On August 27, 2020, the Bankruptcy Court entered the Order Confirming the Fifth Amended Joint Plan of Reorganization of Frontier Communications Corporation and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code (the Confirmation Order), which approved and confirmed the Plan. The effective date of the Plan will occur once all conditions precedent to the Plan have been satisfied (the Effective Date).

Restructuring Support Agreement
On April 14, 2020, the Company Parties entered into the Restructuring Support Agreement with the Consenting Noteholders, pursuant to which the Consenting Noteholders agreed, subject to certain terms and conditions, to support the Restructuring of the existing debt of, existing equity interests in, and certain other obligations of the Company Parties, pursuant to a pre-arranged Plan to be filed in the Chapter 11 Cases.

In accordance with the Restructuring Support Agreement, the Consenting Noteholders agreed, among other things, to:

i) support the transactions (the Restructuring Transactions) described in, within the timeframes outlined in, and in accordance with the Restructuring Support Agreement;
ii) not take any action, directly or indirectly, that is reasonably likely to interfere with acceptance, implementation, or consummation of the Restructuring Transactions;
iii) vote each of its Senior Notes Claims (as defined in the Restructuring Support Agreement) to accept the Plan; and;
iv) not transfer Senior Notes Claims held by each Consenting Noteholders except with respect to limited and customary exceptions, including requiring any transferee to either already be bound or become bound by the terms of the Restructuring Support Agreement.

In accordance with the Restructuring Support Agreement, the Company Parties agreed, among other things, to:

i) support and take all steps reasonably necessary and desirable to consummate the Restructuring Transactions in accordance with the Restructuring Support Agreement;

ii) support and take all steps reasonably necessary and desirable to obtain entry of (a) the final orders of the Bankruptcy Court authorizing the relevant Company Parties' entry into the documents governing a senior secured superpriority DIP financing facility, (b) the order of the Bankruptcy Court approving the disclosure statement related to the Plan pursuant to section 1125 of the Bankruptcy Code and (c) the Bankruptcy Court's order confirming the Plan;
iii) use commercially reasonable efforts to obtain any and all required governmental, regulatory, and/or third-party approvals for the Restructuring Transactions;
iv) act in good faith and use commercially reasonable efforts to execute and deliver certain required documents and agreements to effectuate and consummate the Restructuring Transactions as contemplated by the Restructuring Support Agreement;
v) operate their businesses in the ordinary course of business in a manner consistent with the Restructuring Support Agreement and past practice and use commercially reasonable efforts to preserve their businesses; and;
vi) not, directly or indirectly, object to, delay, impede, or take any other action to interfere with acceptance, implementation, or consummation of the Restructuring Transactions.

The Restructuring Support Agreement may be terminated upon the occurrence of certain events, including the failure to meet specified milestones related to consummation of the Plan. In addition, the Restructuring Support Agreement shall automatically terminate on the Effective Date of the Plan once all conditions precedent to the Plan have been satisfied.

Chapter 11 Cases
As an initial step towards implementation of the Plan, on the Petition Date, the Company Parties filed the Chapter 11 Cases. Each Company Party continues to operate its business as a "debtor in possession" under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code and the orders of the Bankruptcy Court. The Chapter 11 Cases are being jointly administered under the caption In re Frontier Communications Corporation., et al., Case No. 20-22476 (RDD).

In general, as debtors-in-possession under the Bankruptcy Code, we are authorized to continue to operate as an ongoing business, however, we may not engage in transactions outside the ordinary course of business without the prior approval of the Bankruptcy Court. To that end, on the Petition Date, the Company Parties filed the First Day Motions, which were approved after a final hearing held on May 22, 2020. Pursuant to the First Day Motions, the Bankruptcy Court authorized us to conduct our business activities in the ordinary course, including, among other things and subject to the terms and conditions of such orders: continue to operate our cash management system and honor certain prepetition obligations related thereto; maintain existing business forms; continue to perform intercompany transactions; obtain super priority administrative expense status for post-petition intercompany balances; pay certain prepetition claims of critical vendors, lien claimants and section 503(b)(9) of the Bankruptcy Code claimants in the ordinary course of business on a post-petition basis; pay prepetition employee wages, salaries, other compensation and reimbursable employee expenses and continue employee benefits programs; pay obligations under prepetition insurance policies, continue to pay certain brokerage fees; renew, supplement, modify or purchase insurance coverage; maintain our surety bond program; pay certain prepetition taxes and fees; honor certain prepetition obligations to customers and continue certain customer programs in the ordinary course of business; and pay or honor prepetition claims of content providers.

Plan and Disclosure Statement
On May 15, 2020, the Company Parties filed a proposed Joint Plan of Reorganization and related Disclosure Statement, each of which were amended on June 26, 2020, June 29, 2020 and June 30, 2020. On May 15, 2020, the Debtors also filed a proposed order approving the Disclosure Statement and various plan solicitation materials, including the solicitation and voting procedures, which was revised on June 29, 2020 (including modifications to some of the exhibits). On June 30, 2020, the Bankruptcy Court entered the modified order approving the adequacy of the Disclosure Statement and the solicitation and notice procedures and the forms of voting ballots and notices in connection therewith. The order established June 29, 2020 as the voting record date, July 2, 2020 as the solicitation launch date and July 31, 2020 as the voting deadline.

On August 21, 2020, the Company Parties filed the Plan with the Bankruptcy Court. On August 27, 2020, the Bankruptcy Court entered the Confirmation Order, which approved and confirmed the Plan. The Effective Date of the Plan will occur once all conditions precedent to the Plan have been satisfied.

The Plan as approved and confirmed by the Bankruptcy Court provides for:

- the applicable (x) Debtors, with the consent of the Consenting Noteholders then holding greater than 50.1% of the aggregate outstanding principal amount of senior notes claims that are held by all Consenting Noteholders subject to the Restructuring Support Agreement as of such date (the Required Consenting Noteholders), or (y) Reorganized Debtors taking any action as may be necessary or advisable to effectuate the restructuring transactions described in the Plan and Restructuring Transactions Memorandum (as defined in the Plan), including;
  - the execution, delivery, and filing of any organizational and governance documents for the Reorganized Company Parties;
  - any and all actions necessary or appropriate to effectuate the Secured Creditor Settlement (as defined below); and
  - the execution, delivery, and filing of all agreements, indentures, notes, filings, documents, and instruments delivered or entered into in connection with one or more DIP financing facilities, which shall be used to repay certain of the Company Parties' prepetition secured indebtedness and shall convert into an exit facility on the Effective Date (a DIP-to-Exit Facility), and a DIP revolving financing facility, which shall, subject to certain conditions, convert into an exit revolving facility (a DIP-to-Exit Revolving Facility and, together with a DIP-to-Exit Facility, DIP Facilities);
- the final satisfaction, compromise, settlement, release, and discharge of claims arising under, derived from, secured by, based on, or related to any DIP-to-Exit Facility documents or DIP-to-Exit Revolving Facility documents, on the Effective Date in exchange for payment in full in cash or, at the Company Parties' election, and solely to the extent permitted under DIP-to-Exit Facility documents or DIP-to-Exit Revolving Facility documents, as applicable, or as otherwise agreed, such holder's pro rata share of the applicable exit facilities;
- on the Effective Date, issuance of takeback debt by one or more of the Reorganized Company Parties (the Takeback Debt), in a principal amount of $750 million, which shall include the following terms (which may be modified subject to requisite consent under the Plan):
  - an interest rate that is either (a) no more than 2.50% higher than the interest rate of the next most junior secured debt facility to be entered into on the Effective Date if the Takeback Debt is secured on a third lien basis or (b) no more than 3.50% higher than the interest rate of the most junior secured debt facility to be entered into on the Effective Date if the Takeback Debt is unsecured;
  - a maturity of no less than one year outside of the longest-dated debt facility to be entered into by the Reorganized Company Parties on the Effective Date, provided that in no event shall the maturity of the Takeback Debt be longer than eight years from the Effective Date;
  - to the extent the Original Second Lien Notes claims are reinstated under the Plan, the Takeback Debt will be third lien debt, provided that to the extent the Original Second Lien Notes claims are paid in full in cash during the pendency of the Chapter 11 Cases or under the Plan, the Company Parties and the Required Consenting Noteholders will agree on whether the Takeback Debt will be secured or unsecured, within three business days of the Company Parties' delivery to the Consenting Noteholders of a term sheet for the financing to repay the Second Lien Notes in full in cash that contains terms and conditions reasonably acceptable to the Company Parties and the Required Consenting Noteholders;
  - the Takeback Debt amount is subject to downward adjustment by the Consenting Noteholders holding at least sixty-six and two-thirds percent of the aggregate outstanding principal amount of senior notes that are held by all Consenting Noteholders; and
  - all other terms including, without limitation, covenants and governance, shall be reasonably acceptable to the Company Parties and the Required Consenting Noteholders; provided that such terms shall not be more restrictive than those in the indenture for the Second Lien Notes.

The Plan, among other things and subject to the terms of the Secured Creditor Settlement, contemplates the following treatment of claims against and interests in the Company Parties:

- at the option of the applicable Reorganized Company Party, holders of secured claims against a Company Party that, absent its secured status, would be entitled to priority in right of payment under section 507(a)(8) of the Bankruptcy Code (determined irrespective of time limitations) (the Secured Tax Claims) shall receive (i) payment in full in cash or (ii) payment in cash made in equal semi-annual cash

payments commencing as of the Effective Date or as soon as reasonably practicable thereafter and continuing for five years, in an aggregate amount equal to such claim, together with interest at the applicable non-default contract rate under non-bankruptcy law;

- at the option of the applicable Company Party, holders of claims entitled to priority in right of payment under section 507(a) of the Bankruptcy Code other than Administrative Claims or Priority Tax Claims (each as defined in the Plan) shall receive payment in full in cash or such other treatment rendering such claims unimpaired;
- claims arising under, derived from, based on, or related to the Company's $850 million secured revolving credit facility maturing on February 27, 2024 (the Revolver) shall be repaid on or before the Effective Date, including payment of interest payments calculated at the non-default contract rate through the earlier of the Effective Date or repayment of the Revolver in full in cash (which shall include accrued but unpaid postpetition interest);
- claims arising under, derived from, based on, or related to the JPM Credit Agreement shall be repaid on or before the Effective Date or reinstated on the Effective Date solely in the event that financing to repay such claims cannot be obtained, including payment of interest payments calculated at the non-default contract rate through the earlier of the Effective Date or repayment of Frontier's $1,740 million senior secured Term Loan B facility (the Term Loan B) maturing on June 15, 2024. in full in cash (which shall include accrued but unpaid postpetition interest);
- claims arising under, derived from, based on, or related to the Original First Lien Notes, issued pursuant to the indenture, dated as of March 15, 2019, by and among the Company, as issuer, the subsidiary guarantors party thereto, JPMorgan Chase Bank, N.A., as collateral agent, and Wilmington Trust, National Association, as successor trustee, shall be repaid on or before the Effective Date or reinstated on the Effective Date, including payment of interest payments calculated at the non-default contract rate through the earlier of the Effective Date or repayment of the Original First Lien Notes in full in cash (which shall provide for the payment of accrued but unpaid postpetition interest);
- claims arising under, derived from, based on, or related to the Original Second Lien Notes, issued pursuant to that certain indenture, dated as of March 19, 2018, by and among the Company, as issuer, the subsidiary guarantors party thereto, and Wilmington Savings Fund Society FSB, as successor trustee and successor collateral agent (the Second Lien Notes Trustee), shall be repaid on or before the Effective Date or reinstated on the Effective Date, including payment of interest payments calculated at the non-default contract rate as required through the earlier of the Effective Date or repayment of the Second Lien Notes in full in cash (which shall provide for the payment of accrued but unpaid postpetition interest);
- claims arising under, derived from, based on or related to (a) the 8.500% secured notes due November 15, 2031, issued by Frontier Southwest Incorporated pursuant to the Restated Indenture, dated June 1, 1940, by and among Frontier Southwest Incorporated, as issuer, and BOKF, NA, as successor trustee, and (b) Rural Utilities Service loan contracts due January 3, 2028 (collectively, the Subsidiary Secured Notes) shall be reinstated on the Effective Date, with holders of such claims receiving ordinary course cash interest payments at the applicable non-default contract rate through the Effective Date;
- claims arising under, derived from, based on or related to the 6.750% unsecured notes due May 15, 2027 issued by Frontier California Inc., the 6.860% unsecured notes due February 1, 2028 issued by Frontier Florida LLC, the 6.730% unsecured notes due February 15, 2028 issued by Frontier North Inc., the 8.400% unsecured notes due October 15, 2029 issued by Frontier West Virginia Inc. and the applicable indentures, debentures and purchase agreements associated therewith shall be reinstated on the Effective Date, with holders of such claims receiving ordinary course cash interest payments at the applicable non-default contract rate through the Effective Date;
- holders of claims arising under, derived from, based on, or related to the unsecured notes issued by the Company shall receive their (i) pro rata share of and interest in the Incremental Senior Notes Payment Amount (as defined in the Plan) and (ii) pro rata share of and interest in (after first reducing, for distribution purposes only, the amount of each such holder's senior notes claim on a dollar-for-dollar basis by the amount of Incremental Senior Notes Payments, and solely to the extent actually paid): (a) 100% of the Reorganized Company's new common stock, subject to dilution by the Reorganized Company's management incentive plan; (b) the Takeback Debt, if any; and (c) the Surplus Cash (as defined in the Plan), if any;
- to the extent not already satisfied during the Chapter 11 Cases, holders of certain other claims that are not secured shall receive: (i) payment in full in cash; (ii) reinstatement; or (iii) such other treatment

rendering such claims unimpaired, in each case as reasonably acceptable to the Company Parties and the Required Consenting Noteholders;
- holders of secured claims (other than claims arising under, derived from, based on or related to the Revolver, the Term Loan B, the Original First Lien Notes, the Second Lien Notes, the Subsidiary Secured Notes, the Secured Tax Claims or DIP Facilities) shall receive, at the option of the applicable Company Party: (i) payment in full in cash, (ii) reinstatement; (iii) delivery of the collateral securing such claim; or (iv) such other treatment rendering such claim unimpaired;
- claims subject to subordination under section 510(b) of the Bankruptcy Code shall be cancelled, released, discharged, and extinguished;
- all intercompany claims and intercompany interests shall be either (a) reinstated or (b) cancelled on the Effective Date; and
- all equity securities in the Company shall be cancelled, released and extinguished on the Effective Date.

For more information on the repayment of the Revolver, the Original First Lien Notes, the Original Second Lien Notes and the Term Loan B, see Note 9.

Secured Creditor Settlement
The Plan will effectuate the settlement, release, compromise, discharge, and other resolution of all outstanding claims, interests, and causes of action, including the Objection of the Ad Hoc First Lien Committee to the Debtors' Third Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code [Docket No. 857], the Objection of the Second Lien Notes Trustee to the Debtors' Third Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code [Docket No. 858], and the Second Lien Committee's Joinder to the Second Lien Notes Trustee's Objection [Docket No. 860], as between the Company Parties, the ad hoc committee of certain unaffiliated holders of Term Loan B claims and Original First Lien Notes claims (the First Lien Committee) represented by Paul, Weiss, Rifkind, Wharton & Garrison LLP and PJT Partners LP, the Second Lien Notes Trustee, and the ad hoc committee of certain unaffiliated holders of Original Second Lien Notes claims represented by Quinn Emanuel Urquhart & Sullivan, LLP (the Second Lien Committee) (such settlement, the Secured Creditor Settlement). The Secured Creditor Settlement includes, among other terms and subject to certain conditions, the following key terms:

- holders of Term Loan B claims, Original First Lien Notes claims, and Original Second Lien Notes claims, and the First Lien Committee and Second Lien Committee, shall be deemed to have consented to reinstatement and shall not allege, and shall be deemed to have waived and foregone any objections to, any defaults arising from the transactions set forth in the Plan;
- holders of Term Loan B claims, Original First Lien Notes claims, and Original Second Lien Notes claims, and the First Lien Committee and Second Lien Committee shall be deemed to have consented to and shall not impede or otherwise delay the Debtors' pursuit of certain debtor in possession/exit financing facilities;
- holders of Term Loan B claims, Original First Lien Notes claims, and Original Second Lien Notes claims, and the First Lien Committee and Second Lien Committee, shall waive and forgo any and all "make-whole" claims and claims to default interest under the JPM Credit Agreement, the Original First Lien Notes indenture, and/or the Second Lien Notes indenture, as applicable;
- holders of Revolver claims, Term Loan B claims, Original First Lien Notes claims (including the First Lien Committee), the applicable agents, and the Original First Lien Notes trustee shall be deemed to have waived any enforcement of any turnover or payment over rights under the Junior Lien Intercreditor and Subordination Agreement, dated as of March 19, 2018, against the Debtors, Second Lien Notes Trustee, or holders of Original Second Lien Notes claims with respect to certain obligations and amounts;
- the Company Parties shall make a $48 million payment to holders of Term Loan B claims, a $9 million payment for the benefit of holders of Original First Lien Notes claims, and, in the event that the Effective Date occurs on or after March 31, 2021, an incremental payment of $8 million to holders of Term Loan B claims, subject to the provisions and conditions of the Plan with respect to such payments;
- the Company Parties or the Reorganized Company Parties, as applicable, shall pay in full in cash all reasonable First Lien Committee fees and Second Lien Committee fees that are due and owing under the applicable engagement letters; and

- all adequate protection currently in effect shall remain in effect until entry of a final adequate protection order and, upon the Company Parties' entry into any DIP Facilities, the Bankruptcy Court shall enter a final adequate protection order granting, among other things, adequate protection to secured creditors in the form of (i) liens and claims on all collateral securing any future DIP Facilities, and (ii) cash payments in the amount of accrued interest.

DIP Financing
As previously disclosed, prior to the commencement of the Chapter 11 Cases, the Company and certain of its domestic subsidiaries entered into that certain Commitment Letter, dated April 14, 2020 (as amended by that certain Letter Agreement, dated April 28, 2020, by that certain Letter Agreement, dated May 12, 2020, by that certain Letter Agreement, dated June 10, 2020, by that certain Letter Agreement, dated June 29, 2020 and as further amended, modified or supplemented from time to time, the Original Commitment Letter) with Goldman Sachs Bank USA (GS Bank), Deutsche Bank AG New York Branch (DBNY), Deutsche Bank Securities Inc. (DBSI and, collectively with DBNY, DB), Barclays Bank PLC (Barclays), Morgan Stanley Senior Funding, Inc. (MSSF), Credit Suisse AG, Cayman Islands Branch (CS) and Credit Suisse Loan Funding LLC (CSLF and, together with CS and their respective affiliates, Credit Suisse, and together with GS Bank, DB, Barclays and MSSF, the Original Commitment Parties), pursuant to which, and subject to the satisfaction of certain customary conditions, including the approval of the Bankruptcy Court, GS Bank, DBNY, Barclays, MSSF and CS committed to provide a portion of the senior secured superpriority revolving credit facility in an aggregate principal amount of $460 million, which, upon satisfaction of certain conditions, including the effectiveness of the Plan, would convert into a longer term revolving exit facility. The Original Commitment Letter lapsed in accordance with its terms.

The Company and certain of its domestic subsidiaries entered into a Commitment Letter, dated August 13, 2020, with the Original Commitment Parties, which was amended and restated by that certain Amended and Restated Commitment Letter, dated August 28, 2020, with the Original Commitment Parties and JPMorgan Chase Bank, N.A. (JPM) (collectively, the New Commitment Parties), pursuant to which, and subject to the satisfaction of certain customary conditions, including the approval of the Bankruptcy Court, GS Bank, JPM, DBNY, MSSF and CS committed to provide a portion of the $625 million DIP Revolving Facility, which, upon satisfaction of certain conditions, including the effectiveness of the Plan, would convert into a longer term revolving exit facility (the Exit Revolving Facility).

On August 14, 2020, the Company and certain of its subsidiaries entered into an engagement letter, which was amended and restated on August 28, 2020 by that certain Amended and Restated Engagement Letter by and among the Company and certain of its subsidiaries and Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC, DBSI, Barclays Capital Inc., Morgan Stanley & Co. LLC and Credit Suisse Securities (USA) LLC, in connection with a proposed issuance, offering and sale senior secured superpriority first lien and/or second lien notes to be issued by the Company or an affiliate thereof.

The Company and certain of its domestic subsidiaries also entered into that certain Engagement Letter, dated August 14, 2020, with GS Bank, which was amended and restated by that certain Amended and Restated Engagement Letter, dated August 28, 2020 with the New Commitment Parties, in connection with the DIP Term Loan Facility, which, upon satisfaction of certain conditions, including the effectiveness of the Plan, would convert into a term loan Exit Facility (the Exit Term Loan Facility).

On August 28, 2020, the Company Parties filed a motion (the DIP Financing Motion) with the Bankruptcy Court to approve the indentures, credit, guarantee and security documents governing the obligations under senior secured superpriority first lien and/or second lien notes to be issued by the Company or an affiliate thereof, a debtor-in-possession (DIP) revolving facility ,and the exit revolving facility ,(the Exit Revolving Facility) it would convert into upon satisfaction of certain conditions, including the effectiveness of the Plan, a DIP term loan facility and the exit term loan facility it would convert into upon satisfaction of certain conditions, including the effectiveness of the Plan (the Exit Term Loan Facility) and, if applicable, the reinstated Term Loan B (collectively, the DIP Financing). On September 17, 2020, the Bankruptcy Court entered the final order approving the DIP Financing Motion.

On October 8, 2020, we issued $1,150 million aggregate principal amount of 5.875% First Lien Secured Notes due October 15, 2027 (the First Lien Notes due October 2027), and entered into a $625 million DIP revolving

facility (the DIP Revolving Facility) and a $500 million DIP term loan facility (the Initial DIP Term Loan Facility). We used the proceeds from the offering of the First Lien Notes due October 2027, together with the proceeds of the Initial DIP Term Loan Facility and cash on hand, to (i) repay in full our prepetition $1,650 million aggregate principal amount of the Original First Lien Notes and (ii) pay related interest, fees and expenses.

On November 25, 2020, we issued $1,550 million aggregate principal amount of 5.000% First Lien Secured Notes due May 1, 2028 (the First Lien Notes due May 2028) and $1,000 million aggregate principal amount of 6.750% Second Lien Secured Notes due May 1, 2029 (the New Second Lien Notes), and borrowed an incremental $750 million under the DIP term loan facility (the Incremental DIP Term Loan Facility and, together with the Initial DIP Term Loan Facility, the DIP Term Loan Facility). We used the proceeds from these issuances, and the incremental term loan borrowing, together with cash on hand to (i) repay all outstanding borrowings under the prepetition $1,740 million Term Loan B, (ii) repay in full the $1,600 million aggregate principal amount of the Original Second Lien Notes, and (iii) pay related interest, fees and expenses incurred in connection therewith.

For more information about the DIP Financing, refer to Note 9.

Regulatory Approvals
As set forth in the Plan and the Disclosure Statement, in order to implement the restructuring contemplated by the Plan, the Company Parties must satisfy several conditions after confirmation of the Plan but prior to emergence from Chapter 11. Among other things, the Company Parties must obtain requisite regulatory approvals, including FCC and required Public Utility Commission (PUC) approvals in certain states, the level of review undertaken by the FCC and state PUCs, and the length of time to complete such review varies. As part of the regulatory approval process, the Company made a number of affirmative commitments and the FCC and states have imposed additional conditions on the Company as part of approval for the Restructuring, including specific investment, broadband service deployment, service quality improvements, reporting and compliance conditions. The regulatory approval process is moving forward, and the Company has received PUC approvals or favorable determinations in all of the required states at this time, except California. No assurance can be given as to the terms, conditions, and timing of the remaining California approval.

Executory Contracts
Subject to certain exceptions, under the Bankruptcy Code, the Company Parties may assume, amend, or reject certain executory contracts and unexpired leases with respect to their operations with the approval of the Bankruptcy Court. Generally, the rejection of an executory contract or unexpired lease is treated as a pre-petition breach of such executory contract or unexpired lease and, subject to certain exceptions, relieves the Company Parties from performing their future obligations under such executory contract or unexpired lease but entitles the contract counterparty or lessor to a pre-petition general unsecured claim for damages caused by such deemed breach. Generally, the assumption of an executory contract or unexpired lease requires the Company Parties to cure existing monetary defaults under such executory contract or unexpired lease and provide adequate assurance of future performance. Accordingly, any description of an executory contract or unexpired lease with the Company Parties in this document, including where applicable a quantification of the Company's obligations under any such executory contract or unexpired lease of the Company Parties, is qualified by any overriding rejection rights the Company has under the Bankruptcy Code.

Reorganization Items and Liabilities Subject to Compromise
Effective on April 14, 2020, we began to apply the provisions of ASC 852, Reorganizations (ASC 852), which is applicable to companies under bankruptcy protection, and requires amendments to the presentation of certain financial statement line items. ASC 852 requires that the financial statements for periods including and after the filing of the Chapter 11 Cases distinguish transactions and events that are directly associated with the Restructuring from the ongoing operations of the business. Expenses (including professional fees), realized gains and losses, and provisions for losses that can be directly associated with the Restructuring must be reported separately as reorganization items, net in the consolidated statements of operations beginning April 14, 2020, the date of filing of the Chapter 11 Cases. Liabilities that may be affected by the Plan must be reported at the amounts expected to be allowed by the Bankruptcy Court, even if they may be settled for lesser amounts as a result of the Plan or negotiations with creditors. The amounts currently classified as liabilities subject to compromise may be subject to future adjustments depending on Bankruptcy Court actions, further developments with respect to disputed claims, determinations of secured status of certain claims, the values of any collateral

securing such claims, or other events. Any resulting changes in classification will be reflected in subsequent financial statements. If there is uncertainty about whether a secured claim is undersecured, or will be impaired under the Plan, the entire amount of the claim is included with prepetition claims in Liabilities subject to compromise.

As a result of the filing of the Chapter 11 Cases on April 14, 2020, the classification of pre-petition indebtedness is generally subject to compromise pursuant to the Plan. Generally, actions to enforce or otherwise effect payment of pre-bankruptcy filing liabilities are stayed. Although payment of pre-petition claims generally is not permitted, the Bankruptcy Court granted the Company Parties authority to pay certain pre-petition claims in designated categories and subject to certain terms and conditions. This relief generally was designed to preserve the value of the Company Parties' businesses and assets. Among other things, the Bankruptcy Court authorized the Company Parties' to pay certain pre-petition claims relating to employee wages and benefits, taxes and critical vendors. The Company Parties are paying and intend to pay undisputed post-petition liabilities in the ordinary course of business. In addition, the Company Parties may reject certain pre-petition executory contracts and unexpired leases with respect to their operations with the approval of the Bankruptcy Court. Any damages resulting from the rejection of executory contracts and unexpired leases are treated as general unsecured claims.

The accompanying consolidated balance sheet as of December 31, 2020 includes amounts classified as Liabilities subject to compromise, which represent liabilities the Company anticipates will be allowed as claims in the Chapter 11 Cases. These amounts represent the Company's current estimate of known or potential obligations to be resolved in connection with the Chapter 11 Cases and may differ from actual future settlement amounts paid. Differences between liabilities estimated and claims filed, or to be filed, will be investigated and resolved in connection with the claims resolution process.

Liabilities subject to compromise consisted of the following:

($ in millions)	As of December 31, 2020
Accounts payable	$ 57
Other current liabilities	62
Accounts payable, and other current liabilities	119
Debt subject to compromise	10,949
Accrued interest on debt subject to compromise	497
Long-term debt and accrued interest	11,446
Liabilities subject to compromise	$ 11,565

Determination of the value at which liabilities will ultimately be settled cannot be made until the Plan becomes effective and the Company emerges from bankruptcy. The Company will continue to evaluate and adjust the amount and classification of its pre-petition liabilities. Such adjustments may be material. Any additional liabilities that are subject to compromise will be recognized accordingly, and the aggregate amount of Liabilities subject to compromise may change.

Reorganization items incurred as a result of the Chapter 11 Cases presented separately in the accompanying consolidated statements of operations were as follows:

($ in millions)	For the year ended December 31, 2020
Write-off of debt issuance costs and original issue net discount on debt subject to compromise	$ 93
Debtor-in-possession financing costs	121
Secured Creditor Settlement	58
Professional fees and other bankruptcy related costs	137
Reorganization items, net	$ 409

The Company has incurred significant costs associated with the reorganization, primarily legal and professional fees. Write-off of deferred debt issuance costs, the write-off of original issue net discount related to debt subject to compromise and the DIP financing costs were also included in reorganization items. The Reorganization items for the year ended December 31, 2020 have been adjusted to reflect the October 30, 2020 Bankruptcy Court order limiting certain professional fees. For discussion related to our ability to continue as a going concern, refer to Note 1.

(4) Revenue Recognition:

Effective January 1, 2018, we adopted ASU 2014-09, “Revenue from Contracts with Customers,” (ASC 606).

We categorize our products, services and other revenues into the following categories:

Data and Internet services include broadband services for residential and business customers. We provide data transmission services to high volume business customers and other carriers with dedicated high capacity circuits (nonswitched access) including services to wireless providers (wireless backhaul);

Voice services include traditional local and long-distance wireline services, Voice over Internet Protocol (VoIP) services, as well as a number of unified messaging services offered to our residential and business customers. Voice services also include the long-distance voice origination and termination services that we provide to our business customers and other carriers;

Video services include revenues generated from services provided directly to residential customers as terrestrial television services, and through Dish satellite TV services;

Other customer revenue includes switched access revenue, sales of customer premise equipment to our business customers, rents collected for collocation services, and revenue from other services and fees. Switched access revenue includes revenues derived from allowing other carriers to use our network to originate and/or terminate their local and long-distance voice traffic (switched access). These services are primarily billed on a minutes-of-use basis applying tariffed rates filed with the FCC or state agencies; and

Subsidy and other regulatory revenue includes revenues generated from cost subsidies from state and federal authorities, including the Connect America Fund Phase II.

The following tables provide a summary of revenues, by category. Revenues in the following tables include revenues for the Northwest Operations for the four months ended April 30, 2020 (prior to its disposal):

	For the year ended December 31,		
($ in millions)	2020	2019	2018
Data and Internet services	$ 3,478	$ 3,756	$ 3,878
Voice services	2,085	2,500	2,721
Video services	789	1,005	1,085
Other	429	477	544
Revenue from contracts with customers [1]	6,781	7,738	8,228
Subsidy and other regulatory revenue [2]	374	369	383
Total revenue	$ 7,155	$ 8,107	$ 8,611

	For the year ended December 31,		
($ in millions)	2020	2019	2018
Consumer	$ 3,586	$ 4,153	$ 4,380
Commercial	3,195	3,585	3,848
Revenue from contracts with customers [1]	6,781	7,738	8,228
Subsidy and other regulatory revenue [2]	374	369	383
Total revenue	$ 7,155	$ 8,107	$ 8,611

(1) Includes $67 million, $70 million, and $73 million of lease revenue for the years ended December 31, 2020, 2019, and 2018 respectively.
(2) Includes $30 million in transition services provided to the purchaser in connection with the divestiture of the Northwest Operations for the year ended December 31, 2020.

Frontier satisfies its obligations to customers by transferring goods and services in exchange for consideration received from the customer. The timing of Frontier's satisfaction of the performance obligation often differs from the timing of the customer's payment, which results in the recognition of a contract asset or a contract liability. Frontier recognizes a contract asset or liability when the Company transfers goods or services to a customer and bills an amount which differs from the revenue allocated to the related performance obligations.

The following is a summary of the changes in the assets established for our costs to acquire customers for the years ended December 31, 2020 and 2019:

	Contract Acquisition Costs	
($ in millions)	Current	Noncurrent
Balance at January 1, 2019	$ 107	$ 127
Commissions deferred	138	6
Commission costs recognized	(131)	-
Reclass to assets held for sale	(9)	(12)
Balance at December 31, 2019	105	121
Commissions deferred	94	13
Commission costs recognized	(116)	(4)
Reclassified between Current and Noncurrent	14	(14)
Balance at December 31, 2020	$ 97	$ 116

The following is a summary of the changes in the contract assets and contract liabilities for the years ended December 31, 2020 and 2019:

	Contract Assets		Contract Liabilities	
($ in millions)	Current	Noncurrent	Current	Noncurrent
Balance at January 1, 2020	$ 37	$ 8	$ 41	$ 21
Revenue recognized included in opening contract balance	(34)	-	(68)	(12)
Cash received, excluding amounts recognized as revenue	-	-	85	11
Credits granted, excluding amounts recognized as revenue	3	1	-	-
Reclassified between Current and Noncurrent	-	-	-	-
Balance at December 31, 2020	$ 6	$ 9	$ 58	$ 20

	Contract Assets		Contract Liabilities	
($ in millions)	Current	Noncurrent	Current	Noncurrent
Balance at January 1, 2019	$ 44	$ 25	$ 49	$ 22
Revenue recognized included in opening contract balance	(39)	(12)	(81)	(17)
Cash received, excluding amounts recognized as revenue	-	-	78	16
Credits granted, excluding amounts recognized as revenue	30	1	-	-
Reclassified between Current and Noncurrent	5	(5)	-	-
Reclassified to held for sale	(3)	(1)	(5)	-
Balance at December 31, 2019	$ 37	$ 8	$ 41	$ 21

Short-term contract assets, Long-term contract assets, Short-term contract liabilities, and Long-term contract liabilities are included in other current assets, other assets, other current liabilities, and other liabilities, respectively, on our consolidated balance sheet.

The following table includes estimated revenue expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period.

($ in millions)	Revenue from remaining performance obligations
2021	$ 1,426
2022	651
2023	288
2024	118
2025	69
Thereafter	139
Total	$ 2,691

(5) Accounts Receivable:

The components of accounts receivable, net at December 31, 2020 and 2019 are as follows:

($ in millions)	2020	2019
Retail and Wholesale	$ 608	$ 678
Other	75	71
Less: Allowance for doubtful accounts	(130)	(120)
Accounts receivable, net	$ 553	$ 629

An analysis of the activity in the allowance for doubtful accounts for the years ended December 31, 2020, 2019 and 2018 is as follows:

($ in millions)	Balance at beginning of the Period	ASC 606 Transition Adjustment	Increases: Charged to Revenue	Decreases: Write-offs and Customer Credits	Reclassified to Assets Held for Sale	Balance at end of the Period
2018	$ 69	$ 32	$ 93	$ (89)	$ -	$ 105
2019	$ 105	$ -	$ 109	$ (83)	$ (11)	$ 120
2020	$ 120	$ -	$ 106	$ (96)	$ -	$ 130

We maintain an allowance for doubtful accounts based on our estimate of our ability to collect accounts receivable. The provision for uncollectible amounts was $106 million, $109 million and $93 million for the years ended December 31, 2020, 2019 and 2018, respectively. The provision for uncollectible amounts charged to revenue during 2020 and 2019 and the ending balance in the allowance account as of December 31, 2020 and 2019 were elevated as a result of ongoing billing disputes with some of our wholesale customers and our estimate of amounts required to settle such disputes. Actual settlement amounts could vary significantly from these estimates. Resolutions reached with carriers resulted in a reduction of our reserves of $49 million, $37 million, and $9 million in 2020, 2019 and 2018, respectively.

(6) Property, Plant and Equipment:

Property, plant and equipment, net at December 31, 2020 and 2019 are as follows:

($ in millions)	Estimated Useful Lives	2020	2019
Land	N/A	$ 212	$ 217
Buildings and leasehold improvements	40 years	2,139	2,171
General support	5 to 15 years	1,643	1,624
Central office/electronic circuit equipment	5 to 8 years	8,270	7,968
Poles	30 years	1,371	1,274
Cable, fiber and wire	15 to 25 years	11,883	11,312
Conduit	50 years	1,619	1,608
Construction work in progress		558	378
Property, plant and equipment		27,695	26,552
Less: Accumulated depreciation		(14,764)	(13,589)
Property, plant and equipment, net		$ 12,931	$ 12,963

As of December 31, 2019, $1,049 million of fixed assets were reclassified to assets held for sale in relation to the planned sale of the Northwest Operations (see Note 7). Effective with the designation of the Northwest Operations

as held-for-sale on May 28, 2019, we discontinued recording depreciation on Property, Plant and Equipment and finite-lived intangible assets of this business as required by GAAP.

Property, plant, and equipment includes approximately $143 million, $167 million, and $152 million of fixed assets recognized under capital leases as of December 31, 2020, 2019 and 2018, respectively.

During 2020, we sold certain properties consisting of land and buildings for approximately $27 million in cash. The aggregate carrying value of the properties was approximately $37 million, resulting in a loss on the sale of $10 million, which, given our composite group method of accounting for depreciation, was recognized against “Accumulated Depreciation” in our consolidated balance sheet.

In 2017 and 2018, we sold certain properties subject to leaseback, generating $106 million in net proceeds. In connection with the adoption of ASC 842, the $15 million ($11 million net of tax) unamortized deferred gains resulting from these transactions were recognized directly to opening accumulated deficit as of January 1, 2019.

In January 2019, we closed the sale of certain wireless towers for approximately $76 million in cash. The aggregate carrying value of the towers was approximately $1 million, resulting in a gain on the sale of $75 million which, given our composite group method of accounting for depreciation, was recognized against “Accumulated Depreciation” in our consolidated balance sheet during 2020.

Depreciation expense is principally based on the composite group method. Depreciation expense was as follows:

	For the year ended December 31,		
($ in millions)	2020	2019	2018
Depreciation expense	$ 1,255	$ 1,335	$ 1,385

We adopted revised estimated remaining useful lives for certain plant assets as of October 1, 2020, as a result of an annual independent study of the estimated remaining useful lives of our plant assets, with an insignificant impact to depreciation expense.

(7) Divestiture of Northwest Operations:

On May 1, 2020, Frontier completed the sale of its Northwest Operations pursuant to the terms and conditions of the Purchase Agreement, dated as of May 28, 2019, for gross proceeds of $1,352 million, subject to certain closing adjustments. Net of funding certain pension and other retiree medical liabilities, funding of indebtedness, funding certain escrows and other closing adjustments, we received $1,131 million in proceeds.

A portion of the proceeds from the sale are held in escrow as recourse for indemnity claims that may arise under the purchase agreement for a period of one year after the sale was completed on May 1, 2020. As of December 31, 2020, there were $58 million of proceeds held in escrow accounts included in Other current assets. Proceeds previously held in escrow related to employee liabilities of $25 million and adjustments to working capital of $5 million were received by the Company in the first quarter of 2021.

In connection with the sale, Frontier entered into an agreement to perform certain transition services for the purchaser. The first six months of these services were generally being provided at no additional cost to the purchaser as a condition of the transaction. The fair value of these transition services was estimated to be $30 million and were recorded as a deferred liability (recorded within the “Advanced billings” financial statement caption in the balance sheet) in connection with the transaction, which amount was amortized to other revenue as the related services are being delivered. For the year ended December 31, 2020, we recognized $30 million, in other revenue related to these transition services. Effective October 31, 2020, the purchaser terminated all future services that Frontier would have provided and received compensation under this agreement. In connection with the termination, Frontier agreed to provide limited training and subject matter support services for a fee, primarily during the fourth quarter of 2020.

The Northwest Operations were included in Frontier’s continuing operations and classified as assets held for sale

and liabilities related to assets held for sale on our consolidated balance sheets through the completion of the transaction on May 1, 2020. As a result of the closing of the transaction, we derecognized net assets of $1,132 million, including property, plant, and equipment of $1,084 million, goodwill of $658 million, a $603 million valuation allowance on our assets held for sale, and $150 million of defined benefit pension and other postretirement benefit plan obligations, net of transferred pension plan assets.

This transaction did not represent a strategic shift for Frontier; therefore, it did not meet the criteria to be classified as a discontinued operation. Effective with the designation as held-for-sale on May 28, 2019, we discontinued recording depreciation on Property, Plant and Equipment and finite-lived intangible assets of this business as required by GAAP.

During the years ended December 31, 2020 and 2019, Frontier recorded a loss on disposal of $162 million and $446 million, respectively, associated with the sale of the Northwest Operations. For the year ended December 31, 2020, these amounts include $27 million of loss (an immaterial out of period adjustment) related to the initial measurement and recognition of the estimated loss on disposal recorded during the quarter ended June 30, 2019, upon designation as assets held for sale.

(8) Goodwill and Other Intangibles:

All goodwill was fully impaired as of December 31, 2019, other than goodwill of $658 million associated with the planned disposal of Frontier Northwest which was classified in Assets held for sale as of December 31, 2019. Goodwill impairment charges were $5,725 million and $641 million for the years ended December 31, 2019 and 2018, respectively. Accumulated goodwill impairment charges were $9,154 million as of both December 31, 2020 and 2019.

Prior to full impairment, we performed impairment tests related to our goodwill annually as of December 31, or sooner if an indicator of impairment was identified.

We used a market multiples approach to determine Frontier's enterprise fair value for purposes of assessing goodwill for impairment. Marketplace comparisons, analyst reports and trends for other public companies within the communications industry whose service offerings are comparable to ours had a range of fair value multiples between 4.4x and 6.5x of annualized expected EBITDA as adjusted for certain items. We estimated the enterprise fair value using a multiple of 4.4x EBITDA for both the second and third quarter 2019 evaluations, a multiple of 5.3x EBITDA for the fourth quarter 2018 evaluation, and a multiple of 5.5x EBITDA for each of the first three quarterly evaluations in 2019.

We recorded goodwill impairments totaling $5,725 million for the year ended December 31, 2019. The impairment in the second and third quarters of 2019 reflected lower enterprise valuation driven by lower profitability, as well as a reduction in the utilized market multiple from 5.3x EBITDA at December 31, 2018 to the 4.4x EBITDA utilized during our quantitative assessments in 2019. This reflected, among other things, pressures on our business resulting in the continued deterioration in revenue, challenges in achieving improvements in revenue and customer trends, the long-term sustainability of our capital structure, and the lower outlook of our industry as a whole.

We recorded goodwill impairments totaling $641 million for year ended December 31, 2018. The driver for the impairment in the third quarter of 2018 was a reduction in our profitability and utilized EBITDA estimate, which when applied to our market multiple resulted in a lower enterprise valuation. During the fourth quarter of 2018, the impairment was largely driven by a lower enterprise valuation resulting from a reduction in utilized market multiple from 5.5x to 5.3x reflecting the lower outlook for our industry as a whole.

We also considered whether the carrying values of finite-lived intangible assets and property plant and equipment may not be recoverable or whether the carrying value of certain indefinite-lived intangible assets were impaired. No impairment was present for either intangibles or property plant and equipment as of December 31, 2020, 2019, and 2018.

The components of other intangibles at December 31, 2020 and 2019 are as follows:

	2020			2019		
($ in millions)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Other Intangibles:						
Customer base	$ 4,332	$ (3,781)	$ 551	$ 4,332	$ (3,452)	$ 880
Trade name	122	-	122	122	-	122
Royalty agreement	72	(68)	4	72	(54)	18
Total other intangibles	$ 4,526	$ (3,849)	$ 677	$ 4,526	$ (3,506)	$ 1,020

Amortization expense was as follows:

	For the year ended December 31,		
($ in millions)	2020	2019	2018
Amortization expense	$ 343	$ 445	$ 569

Amortization expense primarily represents the amortization of our customer base acquired as a result of the CTF Acquisition, the Connecticut Acquisition and the acquisition of certain Verizon properties in 2010 with each based on a useful life of 8 to 12 years on an accelerated method. The approximate weighted average remaining life of our customer base is 3.5 years and for our royalty agreement is 0.3 years. Amortization expense based on our current estimate of useful lives, is estimated to be approximately $253 million in 2021, $170 million in 2022, $95 million in 2023, $26 million in 2024, and $7 million in 2025.

(9) Long-Term Debt:

The filing of the Chapter 11 Cases constituted an event of default that accelerated substantially all of our obligations under the JPM Credit Agreement, the Original First Lien Notes, the Second Lien Notes, our unsecured notes and debentures and the secured and unsecured debentures of our subsidiaries. As such we have reclassified certain subsidiary unsecured and certain secured debt obligations to Long term debt due within one year and certain parent unsecured debt obligations to Liabilities subject to compromise on our consolidated balance sheet as of December 31, 2020. While this reclassification includes all of our debt, the Restructuring Support Agreement contemplates agreed-upon terms for a pre-arranged financial restructuring Plan that leaves unimpaired all holders of secured debt and subsidiary debt. Among other things, the Restructuring Support Agreement provides that holders of our secured debt will be entitled to receive cash interest payments and to have the principal amount of their indebtedness repaid or reinstated upon emergence and that holders of secured and unsecured debt of our subsidiaries will be entitled to receive cash interest payments and to have the principal amount of their indebtedness reinstated upon emergence.

Pursuant to Section 362 of the Bankruptcy Code, the filing of the Chapter 11 Cases automatically stayed most actions against or on behalf of the Company Parties, including actions to collect indebtedness incurred prior to the Petition Date or to exercise control over the Company Parties' property.

For information related to the Restructuring Support Agreement, the Chapter 11 Cases, the Plan and the DIP Financing, refer to Note 3.

The activity in our long-term debt from January 1, 2020 to December 31, 2020 is summarized as follows:

		For the year ended December 31, 2020			
($ in millions)	January 1, 2020	Payments and Retirements	New Borrowings	December 31, 2020	Interest Rate at December 31, 2020*
Secured debt issued by Frontier	$ 5,711	$ (5,697)	$ 4,950	$ 4,964	5.747%
Unsecured debt issued by Frontier	10,949	-	-	10,949	9.193%
Secured debt issued by subsidiaries	106	-	-	106	8.368%
Unsecured debt issued by subsidiaries	750	-	-	750	6.897%
Debt prior to reclassification to liabilities subject to compromise	$ 17,516	$ (5,697)	$ 4,950	$ 16,769	8.065%
Less: Debt Issuance Costs	(168)			-	
Less: Debt Premium/(Discount)	(46)			(39)	
Debt, less unamortized debt issuance costs and discounts	17,302			16,730	
Less: Current Portion	(994)			(5,781)	
Less: Debt subject to compromise	-			(10,949)	
Total Long-term debt	$ 16,308			$ -	

** Interest rate includes amortization of debt issuance costs and debt premiums or discounts. The interest rates at December 31, 2020 represent a weighted average of multiple issuances. Since the filing of Chapter 11 Bankruptcy, Frontier has not made any payments related to accrued interest for any debt obligations that are subject to compromise.*

Additional information regarding our senior unsecured debt, senior secured debt and subsidiary debt at December 31, 2020 and 2019 is as follows:

	December 31, 2020		December 31, 2019	
($ in millions)	Principal Outstanding	Interest Rate	Principal Outstanding	Interest Rate
Secured debt issued by Frontier				
Revolver due 2/27/2024 [1]	$ -		$ 749	4.760% (Variable)
Term loan due 6/15/2024 [2]	-		1,699	5.550% (Variable)
First lien notes due 4/1/2027	-		1,650	8.000%
Second lien notes due 4/1/2026	-		1,600	8.500%
DIP-to-Exit Revolving Facility	-		-	
DIP-to-Exit term loan due 10/8/2027	1,250	5.750% (Variable)	-	
DIP-to-Exit First lien notes due 10/15/2027	1,150	5.875%	-	
DIP-to-Exit First lien notes due 5/1/2028	1,550	5.000%	-	
DIP-to-Exit Second lien notes due 5/1/2029	1,000	6.750%	-	
IDRB due 5/1/2030	14	6.200%	13	6.200%
Total secured debt issued by Frontier	4,964		5,711	
Unsecured debt issued by Frontier				
Senior notes due 4/15/2020	172	8.500%	172	8.500%
Senior notes due 9/15/2020	55	8.875%	55	8.875%
Senior notes due 7/1/2021	89	9.250%	89	9.250%
Senior notes due 9/15/2021	220	6.250%	220	6.250%
Senior notes due 4/15/2022	500	8.750%	500	8.750%
Senior notes due 9/15/2022	2,188	10.500%	2,188	10.500%
Senior notes due 1/15/2023	850	7.125%	850	7.125%
Senior notes due 4/15/2024	750	7.625%	750	7.625%
Senior notes due 1/15/2025	775	6.875%	775	6.875%
Senior notes due 9/15/2025	3,600	11.000%	3,600	11.000%
Debentures due 11/1/2025	138	7.000%	138	7.000%
Debentures due 8/15/2026	2	6.800%	2	6.800%
Senior notes due 1/15/2027	346	7.875%	346	7.875%
Senior notes due 8/15/2031	945	9.000%	945	9.000%
Debentures due 10/1/2034	1	7.680%	1	7.680%
Debentures due 7/1/2035	125	7.450%	125	7.450%
Debentures due 10/1/2046	193	7.050%	193	7.050%
Total unsecured debt issued by Frontier	10,949		10,949	
Secured debt issued by subsidiaries				
Debentures due 11/15/2031	100	8.500%	100	8.500%
RUS loan contracts due 1/3/2028	6	6.154%	6	6.154%
Total secured debt issued by subsidiaries	106		106	
Unsecured debt issued by subsidiaries				
Debentures due 5/15/2027	200	6.750%	200	6.750%
Debentures due 2/1/2028	300	6.860%	300	6.860%
Debentures due 2/15/2028	200	6.730%	200	6.730%
Debentures due 10/15/2029	50	8.400%	50	8.400%
Total unsecured debt issued by subsidiaries	750		750	
Debt prior to reclassification to liabilities subject to compromise	16,769	8.188% [3]	17,516	8.486% [3]
Less: debt subject to compromise	(10,949)		-	
Total Debt	$ 5,820	5.944% [3]	$ 17,516	8.486% [3]

[1] Represents borrowings under the JPM Credit Agreement Revolver, as defined below.
[2] Represents borrowings under the JPM Credit Agreement Term Loan B, as defined below.
[3] Interest rate represents a weighted average of the stated interest rates of multiple issuances.

DIP Financing

DIP Financing Motion
On August 28, 2020, the Company Parties filed the DIP Financing Motion with the Bankruptcy Court to approve the indentures, credit, guarantee and security documents governing the New First Lien Notes, the DIP Revolving Facility, the DIP Term Loan Facility, the Exit Revolving Facility, the Exit Term Loan Facility and, if applicable, the reinstated Term Loan B. On September 17, 2020, the Bankruptcy Court entered the final order approving the DIP Financing Motion.

DIP Revolving Facility
On October 8, 2020, Frontier entered into the DIP Revolving Facility, pursuant to the senior secured superpriority debtor-in-possession credit agreement, dated as of October 8, 2020, by and among Frontier, as the borrower and a debtor and debtor-in-possession under Chapter 11 of the Bankruptcy Code, Goldman Sachs Bank USA, as administrative agent, JP Morgan Chase Bank, N.A., as collateral agent and each lender and issuing bank from time to time party thereto.

The DIP Revolving Facility has a maturity of the earlier of (x) the date that is twelve months after the closing date of the DIP Revolving Facility and (y) the date of the substantial consummation of the Plan; provided that to the extent such substantial consummation has not occurred on or prior to the date referred to in the foregoing clause (x), primarily because any condition precedent set forth therein with respect to the procurement of regulatory approvals has not been satisfied (and other than any other conditions that by their nature can only be satisfied on the consummation date), the maturity date shall be extended by an additional six months.

At our election, the determination of interest rates for the DIP Revolving Facility is based on margins over the alternate base rate or over LIBOR. The interest rate with respect to any LIBOR loan is 3.250% (or 2.250% for alternate base rate loans).

Subject to customary exceptions and thresholds, the security package under the DIP Revolving Facility includes pledges of the equity interests in certain of our subsidiaries, which as of the issue date is limited to certain specified pledged entities, substantially all personal property of Frontier Video and substantially all of the unencumbered assets and properties of Frontier and Frontier Iowa, which such security interest in the unencumbered assets and properties was granted solely pursuant to the DIP financing order issued by the Bankruptcy Court, which same assets also secure the New First Lien Notes. The DIP Revolving Facility is guaranteed by the same subsidiaries that guarantee the New First Lien Notes. After giving effect to $90 million of letters of credit formerly outstanding under the Revolver that were rolled into, replaced or otherwise accommodated for under the DIP Revolving Facility, the Company has $535 million of available borrowing capacity under the DIP Revolving Facility.

The DIP Revolving Facility includes usual and customary negative covenants for loan agreements of this type, including covenants limiting Frontier and its restricted subsidiaries' (other than certain covenants therein which are limited to subsidiary guarantors) ability to, among other things, incur additional indebtedness, create liens on assets, make investments, loans or advances, engage in mergers, consolidations, sales of assets and acquisitions, pay dividends and distributions and make payments in respect of certain material payment subordinated indebtedness, in each case subject to customary exceptions for loan agreements of this type.

The DIP Revolving Facility also includes certain customary representations and warranties, affirmative covenants and events of default, including, but not limited to, payment defaults, breaches of representations and warranties, covenant defaults, certain events under ERISA, change of control or damage to a material portion of the collateral.

Upon the conversion date, subject to certain conditions, the DIP Revolving Facility shall convert into the Exit Revolving Facility with an aggregate principal amount of $625 million. The Exit Revolving Facility will be available on a revolving basis during the period commencing on the conversion date and ending on the date that is the earlier of (x) 4 years after the conversion date and (y) 91 days prior to the earliest maturity date of permitted pari passu refinancing debt, permitted junior refinancing debt, the term loans outstanding under the prepetition credit agreement after giving effect to the consummation of the Plan (or any indebtedness that replaces or refinances such term loans) and any long term exit facilities so long as, in each case, the outstanding principal amount of

any such indebtedness is in excess of an amount set forth in the definitive documentation with respect to the Exit Revolving Facility. The determination of interest rates for the Exit Revolving Facility is based on margins over the alternate base rate or over LIBOR, at our election. The interest rate with respect to any LIBOR loan is 3.500% (or 2.500% for alternate base rate loans).

DIP Term Loan Facility

On October 8, 2020, Frontier entered into a credit agreement with JPMorgan Chase Bank, N.A., as administrative agent and collateral agent and each lender from time to time party thereto (the DIP to Exit Term Credit Agreement). which provides for a senior secured superpriority DIP term loan facility in the aggregate principal amount of $500 million (the Initial DIP Term Loan Facility). On November 25, 2020, Frontier entered into an incremental amendment to the DIP to Exit Term Credit Agreement (the Incremental DIP Term Loan Amendment), which provides for an additional senior secured superpriority DIP term loan facility in the aggregate principal amount of $750 million (the Incremental DIP Term Loan Facility and, together with the Initial DIP Term Loan Facility, the DIP Term Loan Facility).

The DIP Term Loan Facility has a maturity of the earlier of (x) the date that is twelve months after the closing date of the DIP Term Loan Facility and (y) the date of the substantial consummation of the Plan; provided that to the extent such substantial consummation has not occurred on or prior to the date referred to in the foregoing clause (x), primarily because any condition precedent set forth therein with respect to the procurement of regulatory approvals has not been satisfied (and other than any other conditions that by their nature can only be satisfied on the consummation date), the maturity date shall be extended by an additional six months; provided that if certain conditions are met and the conversion date occurs, the maturity date shall be the seventh anniversary of the closing date.

At our election, the determination of interest rates for the DIP Term Loan Facility are based on margins over the alternate base rate or over LIBOR. The interest rate with respect to any LIBOR loan is 4.750% or 3.750% for alternate base rate loans, with a 1.000% LIBOR floor.

Subject to certain exceptions and thresholds, the security package under the DIP Term Loan Facility includes pledges of the equity interests in certain of our subsidiaries, which as of the issue date is limited to certain specified pledged entities, substantially all personal property of Frontier Video Services Inc., a Delaware corporation (Frontier Video), and, solely prior to the conversion date, substantially all of the unencumbered assets and properties (the DIP Collateral) of Frontier and Frontier Communications of Iowa, LLC, an Iowa limited liability company (Frontier Iowa), which such security interest in the DIP Collateral was granted solely pursuant to the DIP financing order issued by the Bankruptcy Court, which same assets also secure the New First Lien Notes. The DIP Term Loan Facility is guaranteed by the same subsidiaries that guarantee the New First Lien Notes. Upon the conversion date, the security package will no longer include the DIP Collateral.

The DIP Term Loan Facility includes usual and customary negative covenants for DIP to exit loan agreements of this type, including covenants limiting Frontier and its restricted subsidiaries' (other than certain covenants therein which are limited to subsidiary guarantors) ability to, among other things, incur additional indebtedness, create liens on assets, make investments, loans or advances, engage in mergers, consolidations, sales of assets and acquisitions, pay dividends and distributions and make payments in respect of certain material payment subordinated indebtedness, in each case subject to customary exceptions for exit loan agreements of this type.

The DIP Term Loan Facility also includes certain customary representations and warranties, affirmative covenants and events of default, including, but not limited to, payment defaults, breaches of representations and warranties, covenant defaults, certain events under ERISA, upon the conversion date, unstayed judgments in favor of a third party involving an aggregate liability in excess of a certain threshold, change of control, upon the conversion date, specified governmental actions having a material adverse effect or condemnation or damage to a material portion of the collateral.

Upon the conversion date, subject to certain conditions, the DIP Term Loan Facility shall convert into the Exit Term Loan Facility with an aggregate principal amount of $1,250 million.

Debt Refinancing

On September 17, 2020, Frontier repaid the $749 million of outstanding principal under the Revolver (as defined below), plus accrued interest, using cash on hand. The repayment in full of all revolving loans outstanding under the JPM Credit Agreement (as defined below) was a condition precedent to the entry into the DIP Facility, and the Revolver was terminated on October 8, 2020 upon entry into the DIP Revolving Facility.

On October 8, 2020, the Company issued $1,150 million aggregate principal amount of the First Lien Notes due October 2027, entered into the $500 million DIP Revolving Facility and entered into the Initial DIP Term Loan Facility. The Company used the proceeds from the offering, together with the proceeds of the DIP Term Loan Facility and cash on hand, to (i) repay in full the Company's $1,650 million aggregate principal amount of Original First Lien Notes and (ii) pay related interest, fees and expenses.

On November 25, 2020, the Company issued $1,550 million aggregate principal amount of the First Lien Notes due May 2028 (as defined below), issued $1,000 million aggregate principal amount of the New Second Lien Notes (as defined below), and borrowed an incremental $750 million pursuant to the Incremental DIP Term Loan Facility. The Company used the proceeds from the issuance, the incremental borrowing, and cash on hand to (i) repay all outstanding borrowings under our Term Loan B, (ii) repay in full the $1,600 million aggregate principal amount of the Original Second Lien Notes, and (iii) pay related interest, fees and expenses incurred in connection therewith.

First Lien Notes due October 2027
On October 8, 2020, Frontier issued $1,150 million aggregate principal amount of the First Lien Notes due October 2027. Interest on the First Lien Notes due October 2027 is payable to holders of record semi-annually in arrears on April 15 and October 15 of each year, commencing April 15, 2021.

The notes were issued pursuant to an indenture, dated as of October 8, 2020 (the 2027 First Lien Indenture), by and among Frontier, the guarantors party thereto, the grantor party thereto, JPMorgan Chase Bank N.A., as collateral agent and Wilmington Trust, National Association, as trustee, and were issued in a private offering exempt from the registration requirements of the Securities Act, to persons reasonably believed to be qualified institutional buyers in accordance with Rule 144A under the Securities Act and to persons outside the United States pursuant to Regulation S under the Securities Act, at a purchase price equal to 100% of the principal amount thereof.

Prior to the conversion date, the First Lien Notes due October 2027 are secured on a super-priority basis and pari passu with the DIP Revolving Facility and the DIP Term Loan Facility, subject to permitted liens and certain exceptions, by all the assets that secure Frontier's obligations under the DIP Revolving Facility and the DIP Term Loan Facility, on a super-priority basis and pari passu with the DIP Revolving Facility and the DIP Term Loan Facility. From the conversion date, the First Lien Notes due October 2027 are secured on a first-priority basis and pari passu with its senior secured credit facilities, subject to permitted liens and certain exceptions, by all the assets that secure Frontier's obligations under its senior secured credit facilities on a first-priority basis and pari passu with its senior secured credit facilities.

Frontier may redeem the First Lien Notes due October 2027 at any time, in whole or in part, prior to their maturity. If the notes are redeemed before October 15, 2023 the redemption price will be equal to 100% of the aggregate principal amount thereof, together with any accrued and unpaid interest, if any, to, but not including, the redemption date, plus a make-whole premium. If the notes are redeemed on or after October 15, 2023 the redemption price will be equal to the amounts set forth in the 2027 First Lien Indenture, together with any accrued and unpaid interest to the redemption date. In addition, at any time before October 15, 2023, Frontier may redeem up to 40% of the First Lien Notes due October 2027 using the proceeds of certain equity offerings at a redemption price equal to 105.875% of the aggregate principal amount thereof, together with any accrued and unpaid interest, if any, to, but not including, the redemption date.

In the event of a change of control triggering event, each holder of the First Lien Notes due October 2027 will have the right to require Frontier to purchase the notes at a purchase price equal to 101% of the principal amount of the First Lien Notes due October 2027, plus accrued and unpaid interest, if any, to, but not including, the date of repurchase.

The 2027 First Lien Indenture contains customary negative covenants, subject to a number of important exceptions and qualifications, including, without limitation, covenants related to incurring additional debt and issuing preferred stock; incurring or creating liens; redeeming and/or prepaying certain debt; paying dividends on our stock or repurchasing stock; making certain investments; engaging in specified sales of assets; entering into transactions with affiliates; and engaging in consolidation, mergers and acquisitions. Certain of these covenants will be suspended during such time, if any, that the First Lien Notes due October 2027 have investment grade ratings by at least two of Moody's, S&P or Fitch. The 2027 First Lien Indenture also provides for customary events of default which, if any of them occurs, would permit or require the principal of and accrued interest on the First Lien Notes due October 2027 to become or to be declared due and payable.

First Lien Notes due May 2028

On November 25, 2020, Frontier issued $1,550 million aggregate principal amount of the First Lien Notes due May 2028, which bear interest at a rate of 5.000% per annum. Interest is payable to holders of record semi-annually in arrears on May 1 and November 1 of each year, commencing May 1, 2021.

The First Lien Notes due May 2028 were issued pursuant to an indenture, dated as of November 25, 2020 (the 2028 First Lien Indenture), by and among Frontier, the guarantors party thereto, the grantor party thereto, JPMorgan Chase Bank N.A., as collateral agent and Wilmington Trust, National Association, as trustee, and were issued in a private offering exempt from the registration requirements of the Securities Act, to persons reasonably believed to be qualified institutional buyers in accordance with Rule 144A under the Securities Act and to persons outside the United States pursuant to Regulation S under the Securities Act, at a purchase price equal to 100% of the principal amount thereof.

Prior to the conversion date, the First Lien Notes due May 2028 are secured on a super-priority basis and pari passu with the DIP Revolving Facility and the DIP Term Loan Facility, subject to permitted liens and certain exceptions, by all the assets that secure Frontier's obligations under the DIP Revolving Facility and the DIP Term Loan Facility, on a super-priority basis and pari passu with the DIP Revolving Facility and the DIP Term Loan Facility. From the conversion date, the First Lien Notes due May 2028 are secured on a first-priority basis and pari passu with its senior secured credit facilities, subject to permitted liens and certain exceptions, by all the assets that secure Frontier's obligations under its senior secured credit facilities on a first-priority basis and pari passu with its senior secured credit facilities.

Frontier may redeem the First Lien Notes due May 2028 at any time, in whole or in part, prior to their maturity. If redeemed before May 1, 2024 the redemption price will be equal to 100% of the aggregate principal amount thereof, together with any accrued and unpaid interest, if any, to, but not including, the redemption date, plus a make-whole premium. If the notes are redeemed on or after May 1, 2024, the redemption price will be equal to the amounts set forth in the 2028 First Lien Indenture, together with any accrued and unpaid interest to the redemption date. In addition, at any time before May 1, 2024, Frontier may redeem up to 40% of the First Lien Notes due May 2028 using the proceeds of certain equity offerings at a redemption price equal to 105.000% of the aggregate principal amount thereof, together with any accrued and unpaid interest, if any, to, but not including, the redemption date.

In the event of a change of control triggering event, each holder of the First Lien Notes due May 2028 will have the right to require Frontier to purchase the notes at a purchase price equal to 101% of the principal amount of the First Lien Notes due May 2028, plus accrued and unpaid interest, if any, to, but not including, the date of repurchase.

The 2028 First Lien Indenture contains customary negative covenants, subject to a number of important exceptions and qualifications, including, without limitation, covenants related to incurring additional debt and issuing preferred stock; incurring or creating liens; redeeming and/or prepaying certain debt; paying dividends on our stock or repurchasing stock; making certain investments; engaging in specified sales of assets; entering into transactions with affiliates; and engaging in consolidation, mergers and acquisitions. Certain of these covenants will be suspended during such time, if any, that the First Lien Notes due May 2028 have investment grade ratings by at least two of Moody's, S&P or Fitch. The 2028 First Lien Indenture also provides for customary events of default which, if any of them occurs, would permit or require the principal of and accrued interest on the First Lien Notes due May 2028 to become or to be declared due and payable.

New Second Lien Notes

On November 25, 2020, Frontier issued $1,000 million aggregate principal amount of second lien secured notes that mature on May 1, 2029, and bear interest at a rate of 6.750% per annum (the New Second Lien Notes, and together with the First Lien Notes due October 2027 and the First Lien Notes due May 2028, the Secured Notes). Interest is payable to holders of record semi-annually in arrears on May 1 and November 1 of each year, commencing May 1, 2021.

The New Second Lien Notes were issued pursuant to an indenture, dated as of November 25, 2020 (the New Second Lien Indenture, and together with the 2027 First Lien Indenture and the 2028 First Lien Indenture, the Secured Note Indentures), by and among Frontier, the guarantors party thereto, the grantor party thereto, Wilmington Trust, National Association, as trustee and collateral agent, and were issued in a private offering exempt from the registration requirements of the Securities Act, to persons reasonably believed to be qualified institutional buyers in accordance with Rule 144A under the Securities Act and to persons outside the United States pursuant to Regulation S under the Securities Act, at a purchase price equal to 100% of the principal amount thereof.

Prior to the conversion date, the New Second Lien Notes are superpriority obligations secured by a second-priority lien junior to the DIP Revolving Facility, the DIP Term Loan Facility, the First Lien Notes due October 2027 and the First Lien Notes due May 2028, subject to permitted liens and certain exceptions, by all the assets that secure Frontier's obligations under the DIP Revolving Facility, the DIP Term Loan Facility, on a super-priority basis and pari passu with the DIP Revolving Facility and the DIP Term Loan Facility, the First Lien Notes due October 2027 and the First Lien Notes due May 2028. From the conversion date, the New Second Lien Notes are secured on a second-priority basis junior to the DIP Revolving Facility, the First Lien Notes due October 2027 and the First Lien Notes due May 2028, subject to permitted liens and certain exceptions, by all the assets that secure Frontier's obligations under its senior secured credit facilities and existing first lien notes on a second-priority basis junior to its secured credit facilities and existing first lien notes.

Frontier may redeem the New Second Lien Notes at any time, in whole or in part, prior to their maturity. If redeemed before May 1, 2024, the redemption price will be equal to 100% of the aggregate principal amount thereof, together with any accrued and unpaid interest, if any, to, but not including, the redemption date, plus a make-whole premium. If redeemed on or after May 1, 2024, the redemption price will be equal to the amounts set forth in the New Second Lien Indenture, together with any accrued and unpaid interest to the redemption date. In addition, at any time before November 1, 2023, Frontier may redeem up to 40% of the New Second Lien Notes using the proceeds of certain equity offerings at a redemption price equal to 106.750% of the aggregate principal amount thereof, together with any accrued and unpaid interest, if any, to, but not including, the redemption date.

In the event of a change of control triggering event, each holder of the New Second Lien Notes will have the right to require Frontier to purchase the notes at a purchase price equal to 101% of the principal amount of the New Second Lien Notes, plus accrued and unpaid interest, if any, to, but not including, the date of repurchase.

The New Second Lien Indenture contains customary negative covenants, subject to a number of important exceptions and qualifications, including, without limitation, covenants related to incurring additional debt and issuing preferred stock; incurring or creating liens; redeeming and/or prepaying certain debt; paying dividends on our stock or repurchasing stock; making certain investments; engaging in specified sales of assets; entering into transactions with affiliates; and engaging in consolidation, mergers and acquisitions. Certain of these covenants will be suspended during such time, if any, that the New Second Lien Notes have investment grade ratings by at least two of Moody's, S&P or Fitch. The New Second Lien Indenture also provides for customary events of default which, if any of them occurs, would permit or require the principal of and accrued interest on the New Second Lien Notes to become or to be declared due and payable.

Repaid Original First Lien Notes
On March 15, 2019, Frontier completed a private offering of $1,650 million aggregate principal amount of the Original First Lien Notes, which had a maturity date of April 1, 2027, and accrued interest at a rate of 8.000% per annum. As noted above, these notes were repaid in full using the proceeds from the October 8, 2020 debt refinancing.

Repaid Original Second Lien Notes
On March 19, 2018, Frontier completed a private offering of $1,600 million aggregate principal amount of the Original Second Lien Notes, which had a maturity date of April 1, 2026, and accrued interest at a rate of 8.500% per annum. As noted above, these notes were repaid in full using the proceeds from the November 25, 2020 debt refinancing.

Repaid JP Morgan Credit Facilities
Frontier had an amended and restated credit agreement with JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto, which provided for a $1,625 million senior secured Term Loan A facility (the Term Loan A), a $1,740 million Term Loan B, and the Revolver. As noted above all outstanding amounts remaining drawn under the Revolver and Term Loan B were fully repaid using cash on hand and the proceeds from the November 25, 2020 debt refinancing, and all outstanding amounts remaining drawn under Term Loan A were fully repaid using the proceeds from the offering of the Original First Lien Notes.

On July 3, 2018, the Company entered into Increase Joinder No. 2 to the JPM Credit Agreement, pursuant to which the Company borrowed an incremental $240 million under the Term Loan B. The Company used the incremental borrowings to repay in full the 2014 CoBank Credit Agreement (as defined below), repay a portion of the 2016 CoBank Credit Agreement (as defined below) and pay certain fees and expenses related to this incremental borrowing.

Repaid CoBank Credit Facilities
Frontier had two separate credit agreements with CoBank, ACB, as administrative agent, lead arranger and a lender, and the other lenders, which provided for a $350 million senior term loan facility (the 2014 CoBank Agreement), and a $315 million senior term loan facility (the 2016 CoBank Credit Agreement). As noted above, all outstanding amounts remaining drawn under the 2016 CoBank Credit Agreement were repaid in full using the proceeds from the offering of the Original First Lien Notes, and all outstanding amounts remaining drawn under the 2014 CoBank Credit Agreement were repaid in full using the proceeds from the incremental borrowing provided by the Increased Joinder No. 2 to the JPM Credit Agreement.

Repaid Unsecured Senior Notes
For the year ended December 31, 2019, Frontier retired $348 million principal amount of 7.125% senior unsecured notes due 2020 at maturity.

For the year ended December 31, 2018, Frontier retired a $2,198 million aggregate principal amount of senior unsecured notes. As noted above, $1,651 million senior unsecured notes, consisting of $447 million of 8.500% senior notes due 2020, $249 million of 8.875% senior notes due 2020, $555 million of 6.250% senior notes due 2021, and $400 million of 9.250% senior notes due 2021, were paid prior to maturity using the proceeds from the offering of the Original Second Lien Notes. Additionally, during 2018, Frontier retired $431 million principal amount outstanding of 8.125% senior notes due 2018 at maturity, and purchased on the open market a $117 million aggregate principal amount of senior unsecured notes, consisting of $61 million of 8.125% senior notes due 2018 and $56 million of 7.125% senior notes due 2019.

Gain/Loss on Extinguishment of Debt
During the year ended December 31, 2020, Frontier recorded a loss on early extinguishment of debt of $72 million driven primarily by the write-off of unamortized original issuance costs associated with the retired Term Loan B, the Original First Lien Notes, and the Original Second Lien Notes.

During the year ended December 31, 2019, Frontier recorded a loss on early extinguishment of debt of $20 million driven primarily by the write-off of unamortized original issuance costs associated with the retired Term Loan A and 2016 CoBank Credit Agreement.

During the year ended December 31, 2018, Frontier recorded a gain on early extinguishment of debt of $32 million driven primarily by discounts received on the retirement of certain notes, slightly offset by premiums paid to retire certain notes and unamortized original issuance costs.

Other Obligations
During 2018, Frontier contributed real estate properties with an aggregate fair value of $37 million for the purpose of funding a portion of its contribution obligations to its qualified defined benefit pension plan. The pension plan obtained independent appraisals of the property and, based on these appraisals, the pension plan recorded the contributions at aggregate fair value of $37 million for 2018. Frontier has entered into a lease for the contributed properties. The properties are managed on behalf of the pension plan by an independent fiduciary, and the terms of the lease were negotiated with the fiduciary on an arm's-length basis.

For properties contributed in 2018, leases have initial terms of 20 years at a combined average aggregate annual rent of approximately $5 million.

The contribution and leaseback of the properties were treated as financing transactions and, accordingly, Frontier continues to depreciate the carrying value of the property in its financial statements and no gain or loss was recognized. An obligation of $37 million is included in our consolidated balance sheet within "Other liabilities" as of December 31, 2020 and the liability is reduced annually by a portion of the lease payments made to the pension plan. Under the new lease standard, liabilities for these finance transactions are included in our financing lease liabilities. Refer to Note 11 for additional details.

(10) Restructuring and Other Charges:
As of December 31, 2020, restructuring related liabilities of $2 million pertaining to employee separation charges and accrued costs related to transformation initiatives are included in "Other current liabilities" in our consolidated balance sheet.

During 2018, Frontier announced a strategic plan (Transformation Program) with the objective of improving revenues, profitability, and cash flows by enhancing our operations and customer service and support processes. We had retained a consulting firm to assist in executing on various aspects of the Transformation Program. This agreement was terminated in June 2019 and in connection therewith we made subsequent payments of approximately $35 million related to previously accrued expenses. We continue to implement programs and initiatives designed to improve and enhance our business and expect associated expenses to be recognized as incurred. Amounts accrued in connection with related consulting arrangements are recognized as operating expense under "Restructuring costs and other charges."

Restructuring Costs
During 2020, we incurred $87 million in expenses consisting of $8 million directly associated with transformation initiatives, $7 million of severance and employee costs resulting from workforce reductions, and $72 million of consulting and advisory costs related to our balance sheet restructuring activities through the Petition Date.

Effective with the Petition date, these other charges consisting of consulting and advisory costs incurred are recorded in Reorganization items, net in the consolidated statement of operations.

During 2019, we incurred $168 million in expenses related to changes in the operation of our business, consisting of $46 million directly associated with transformation initiatives, $44 million of pension/OPEB special termination benefit enhancements related to a voluntary severance program, $38 million of severance and employee costs

resulting from workforce reductions, and $40 million of consulting and advisory costs related to our balance sheet restructuring activities, which are included in “Restructuring costs and other charges” in our consolidated statement of operations for the year ended December 31, 2019.

During 2018, restructuring costs and other charges, primarily consisting of severance and other employee-related costs of $12 million and costs directly associated with the Transformation Program of $23 million, totaling $35 million in connection with workforce reductions, are included in “Restructuring costs and other charges” in our consolidated statement of operations for the year ended December 31, 2018.

The following is a summary of the changes in the liabilities established for restructuring and related programs:

($ in millions)	Restructuring Liability
Balance at December 31, 2018	$ 18
Severance expense	38
Transformation costs	46
Other costs	40
Cash payments during the period	(127)
Balance at December 31, 2019	15
Severance expense	7
Transformation costs	8
Other costs	72
Cash payments during the period	(100)
Balance at December 31, 2020	$ 2

(11) Leases:

With the adoption of ASC 842 on January 1, 2019, Frontier elected to apply the ‘package of practical expedients’, which permits the Company to not reassess under the new standard its prior conclusions including lease identification, lease classification, and initial direct costs. Additionally, Frontier elected to apply the land easement practical expedient, which permits the Company to account for land easements under the new standard only on a prospective basis. Frontier did not apply the use of hindsight practical expedient.

The components of lease cost are as follows:

	For the year ended	
($ in millions)	December 31, 2020	December 31, 2019
Lease cost:		
Finance lease cost:		
Amortization of right-of-use assets	$ 15	$ 19
Interest on lease liabilities	13	15
Finance lease cost	28	34
Operating lease cost [1]	68	79
Sublease income	(11)	(11)
Total Lease cost	$ 85	$ 102

[1] Includes short-term lease costs of $2 million and $3 million and variable lease costs of $6 million and $6 million for the years ended December 31, 2020 and 2019, respectively.

Prior to adoption of ASC 842, pole-related rental expenses of $55 million for the year ended December 31, 2018, were included in lease expense. However, these agreements do not qualify as leases under ASC 842, so they are not included in the lease cost above. These agreements have been included in our purchase obligations

table (see Note 22). Finance lease costs included in the above table, were excluded from rental expense in the years ended December 31, 2018, as they related to finance leases. Under ASC 840, rental expense for the year ended December 31, 2018 was $102 million.

Supplemental balance sheet information related to leases is as follows:

($ in millions)	December 31, 2020	December 31, 2019
Operating right-of-use assets	$ 215[1]	$ 204[1]
Finance right-of-use assets	$ 143[2]	$ 167[2]
Operating lease liabilities	$ 223[3]	$ 211[3]
Finance lease liabilities	$ 145[4]	$ 167[4]
Operating leases:		
Weighted-average remaining lease term	7.75 years	7.54 years
Weighted-average discount rate	8.26%	8.25%
Finance leases:		
Weighted-average remaining lease term	8.96 years	9.10 years
Weighted-average discount rate	8.13%	7.98%

(1) Operating ROU assets are included in Other assets on our consolidated balance sheet.
(2) Finance ROU assets are included in Property, plant, and equipment on our December 31, 2020 consolidated balance sheets.
(3) This amount represents $48 million and $44 million, and $175 million and $167 million, included in other current liabilities and other liabilities, respectively, on our December 31, 2020 and 2019 consolidated balance sheets.
(4) This amount represents $21 million and $25 million, and $124 million and $142 million, included in other current liabilities and other liabilities, respectively, on our December 31, 2020 and 2019 consolidated balance sheets.

Supplemental cash flow information related to leases is as follows:

	For the year ended	
($ in millions)	December 31, 2020	December 31, 2019
Cash paid for amount included in the measurement of lease liabilities, net of amounts received as revenue:		
Operating cash flows provided by operating leases	$ 67	$ 70
Operating cash flows used by operating leases	$ (68)	$ (76)
Operating cash flows used by finance leases	$ (13)	$ (15)
Financing cash flows used by finance leases	$ (23)	$ (35)
Right-of-use assets obtained in exchange for lease liabilities:		
Operating leases	$ 28	$ 42
Finance leases	$ 3	$ 34

Lessee

For lessee agreements, Frontier elected to apply the short-term lease recognition exemption for all leases that qualify and as such, does not recognize assets or liabilities for leases with terms of less than twelve months, including existing leases at transition. Frontier elected not to separate lease and non-lease components.

As of January 1, 2019, Frontier has operating and finance leases for administrative and network properties, vehicles, and certain equipment. Our leases have remaining lease terms of 1 year to 87 years, some of which include options to extend the leases, and some of which include options to terminate the leases within 1 year.

The following represents a maturity analysis for our operating and finance lease liabilities as of December 31, 2020:

($ in millions)	Operating Leases	Finance Leases
Future maturities:		
2021	$ 49	$ 32
2022	47	27
2023	42	23
2024	38	16
2025	32	14
Thereafter	87	82
Total lease payments	295	194
Less: imputed interest	(72)	(49)
Present value of lease liabilities	$ 223	$ 145

Upon adoption of ASC 842 on January 1, 2019, we recorded the unamortized deferred gain balances for previous sale-leasebacks of real estate assets as a transition adjustment, which had the effect of increasing our accumulated deficit by $15 million ($11 million net of tax).

Lessor
Frontier is the lessor for operating leases of towers, datacenters, corporate offices, and certain equipment. Our leases have remaining lease terms of 1 year to 65 years, some of which include options to extend the leases, and some of which include options to terminate the leases within 1 year. None of these leases include options for our lessees to purchase the underlying asset.

A significant number of Frontier's service contracts with its customers include equipment rentals. The Company has elected to apply the practical expedient to account for those associated equipment rentals and services as a single, combined component. We have evaluated the service component to be 'predominant' in these contracts and have accounted for the combined component as a single performance obligation under ASC 606.

For the years ended December 31, 2020 and 2019, Frontier, as a lessor, recognized revenue of $67 million and $70 million, respectively.

The following represents a maturity analysis for our future operating lease payments from customers as of December 31, 2020:

($ in millions)	Operating Lease Payments
Future maturities of lease payments from customers:	
2021	$ 10
2022	10
2023	10
2024	7
2025	1
Thereafter	1
Total lease payments from customers	$ 39

(12) Investment and Other Income (Loss), Net:

The components of investment and other income (loss), net for the years ended December 31, 2020, 2019 and 2018 are as follows:

	For the year ended December 31,		
($ in millions)	2020	2019	2018
Interest and dividend income	$ 4	$ 9	$ 6
Pension and OPEB benefit (costs)	(43)	(42)	10
All other, net	(4)	(4)	(3)
Total investment and other income (loss), net	$ (43)	$ (37)	$ 13

Pension and OPEB benefit (costs) included in “Investment and other income, net” on our consolidated statements of operations, represent the non-service cost components of pension and other post-retirement benefit (OPEB) costs. Service cost components of pension and OPEB benefit costs are included in “Network related expense” and “Selling, general, and administrative expenses on our consolidated statements of operations.

(13) Capital Stock:

As of December 31, 2020, Frontier has approximately 175 million, 106 million, and 105 million shares of common stock authorized, issued, and outstanding, respectively. Additionally, Frontier has no shares of preferred stock issued and outstanding as of December 31, 2020 or 2019.

Mandatory Convertible Preferred Stock (Series A)
On June 29, 2018, all outstanding shares of Frontier’s 11.125% Mandatory Convertible Preferred Stock, Series A, par value $0.01 per share (the Series A Preferred Stock) converted at a rate of 1.3333 common shares per share of preferred stock into an aggregate of approximately 25,529,000 shares (net of fractional shares) of the Company’s common stock, pursuant to the terms of the Certificate of Designation governing the Series A Preferred Stock. Frontier issued cash in lieu of fractional shares of common stock in the conversion. These payments were recorded as a reduction to Additional paid-in capital. The final dividend of $54 million was paid on July 2, 2018.

The Series A Preferred Stock was issued in June 2015 when we completed a registered offering of 19.25 million preferred shares at an offering price of $100 per share. Aggregate net proceeds of the offering were $1,866 million after deducting commissions and estimated expenses. We used the net proceeds from this offering to fund a portion of the acquisition price of the CTF Acquisition and related fees and expenses.

(14) Stock Plans:

At December 31, 2020, we have four stock-based compensation plans under which grants were made and awards remained outstanding. No further awards may be granted under three of the plans: the 2013 Equity Incentive Plan (the 2013 EIP), the Deferred Fee Plan and the Directors’ Equity Plan. At December 31, 2020, there were approximately 5,667,000 shares authorized for grant and approximately 3,632,000 shares available for grant under the 2017 Equity Incentive Plan (the 2017 EIP together with the 2013 EIP (the EIPs). Our general policy is to issue treasury shares upon the grant of restricted shares and the exercise of options.

2013 and 2017 Equity Incentive Plans
Since the expiration date of the 2013 EIP on May 10, 2017, no awards have been or may be granted under such plan. Under the 2017 EIP, awards of our common stock may be granted to eligible employees in the form of incentive stock options, non-qualified stock options, SARs, restricted stock, performance shares or other stock-based awards. As discussed under the Non-Employee Directors’ Compensation Plans below, prior to May 25, 2006, non-employee directors received an award of stock options upon commencement of service. No awards may be granted more than 10 years after the effective date (May 10, 2017) of the 2017 EIP plan. The exercise price of stock options and SARs under the EIPs generally are equal to or greater than the fair market value of the underlying common stock on the date of grant. Stock options are not ordinarily exercisable on the date of

grant but vest over a period of time (generally four years). Under the terms of the EIPs, subsequent stock dividends and stock splits have the effect of increasing the option shares outstanding, which correspondingly decrease the average exercise price of outstanding options.

Performance Shares/Units

On February 15, 2012, Frontier's Compensation Committee, adopted the Frontier Long-Term Incentive Plan (the LTIP). LTIP awards were granted in the form of performance shares or units/cash. The LTIP was offered under the EIPs, and participants consist of senior vice presidents and above. The LTIP awards had performance, market and time-vesting conditions.

During the first 90 days of a three year performance period (a Measurement Period), a target number of performance shares or units were awarded to each LTIP participant with respect to the Measurement Period. The performance metrics under the LTIP were (1) annual targets for operating cash flow or adjusted free cash flow per share based on the goal set and (2) an overall performance "modifier, based on Frontier's total return to stockholders (i.e., Total Shareholder Return or TSR) relative to the Integrated Telecommunications Services Group (GICS Code 50101020) for the Measurement Period. Operating cash flow or adjusted free cash flow per share performance was determined at the end of each year and the annual results were averaged at the end of the Measurement Period to determine the preliminary number of shares earned under the LTIP award. The TSR performance measure was then applied to decrease or increase payouts based on Frontier's three year relative TSR performance. LTIP awards, to the extent earned, were paid out in the form of common stock or cash shortly following the end of the Measurement Period. During 2020, all of the remaining performance shares under the LTIP were cancelled.

The following summary presents information regarding LTIP target performance shares as of December 31, 2020 and changes during the three years then ended with regard to LTIP shares:

	Number of Shares *(in thousands)*
Balance at December 31, 2017	306
LTIP target performance shares granted	284
LTIP target performance shares earned	(18)
LTIP target performance shares forfeited	(75)
Balance at December 31, 2018	497
LTIP target performance shares granted	-
LTIP target performance shares earned	(381)
LTIP target performance shares forfeited	(20)
Balance at December 31, 2019	96
LTIP target performance shares/units granted	-
LTIP target performance shares/units earned	-
LTIP target performance shares/units forfeited	(96)
Balance at December 31, 2020	-

For purposes of determining compensation expense, the fair value of each performance share was measured at the end of each reporting period and, therefore, fluctuated based on the price of Frontier common stock as well as performance relative to the targets. Frontier recognized an expense, included in "Selling, general, and administrative expenses" of $0 million, $4 million, and $5 million during 2020, 2019 and 2018, respectively, for the LTIP.

Restricted Stock

The following summary presents information regarding unvested restricted stock as of December 31, 2020 and changes during the three years then ended with regard to restricted stock under the 2017 EIP:

	Number of Shares *(in thousands)*	Weighted Average Grant Date Fair Value (per share)	Aggregate Fair Value *(in millions)*
Balance at December 31, 2017	633	$ 58.63	$ 4
Restricted stock granted	2,023	$ 8.26	$ 5
Restricted stock vested	(221)	$ 66.82	$ (1)
Restricted stock forfeited	(577)	$ 16.47	
Balance at December 31, 2018	1,858	$ 16.02	$ 4
Restricted stock granted	105	$ 2.00	$ -
Restricted stock vested	(1,039)	$ 19.05	$ (1)
Restricted stock forfeited	(24)	$ 28.30	
Balance at December 31, 2019	900	$ 10.57	$ 1
Restricted stock granted	-	$ 0.00	$ -
Restricted stock vested	(387)	$ 15.04	$ -
Restricted stock forfeited	(209)	$ 7.79	
Balance at December 31, 2020	304	$ 6.78	$ -

For purposes of determining compensation expense, the fair value of each restricted stock grant is estimated based on the average of the high and low market price of a share of our common stock on the date of grant. Total remaining unrecognized compensation cost associated with unvested restricted stock awards that is deferred at December 31, 2020 was less than $1 million and the weighted average vesting period over which this cost is expected to be recognized is less than 1 year.

We have granted restricted stock awards to employees in the form of our common stock. None of the restricted stock awards may be sold, assigned, pledged or otherwise transferred, voluntarily or involuntarily, by the employees until the restrictions lapse, subject to limited exceptions. The restrictions are time-based. Compensation expense, recognized in “Selling, general and administrative expenses”, of $2 million, $11 million and $13 million for the years ended December 31, 2020, 2019 and 2018, respectively, has been recorded in connection with these grants.

Non-Employee Directors’ Compensation Plans

Beginning October 1, 2013, stock units were credited to the director’s account in an amount that was determined as follows: the total cash value of the fees payable to the director is divided by the closing price of Frontier common stock on the grant date of the units. Units were credited to the director’s account quarterly. Directors must also elect to convert the units to cash upon retirement or death.

There were 8 directors participating in the Director Plans during all or part of 2020. The total plan units earned were 0, 155,045 and 183,791 in 2020, 2019, and 2018, respectively. As of June 2019, no further stock units have been issued to Non-Employee Directors.

Since the directors had the option to receive distributions from their stock units in cash, they were considered liability-based awards. Prior to adoption of ASU 2018-07, "Compensation – Stock Compensation (ASC 718): Improvements to Non-employee Share-Based payment accounting;" compensation expense was based on the current market value of our common stock at each reporting date. Upon adoption, compensation expense for all unvested awards was based on the market value of our common stock at the date of adoption and compensation expense for awards granted following adoption were based on the market value of our common stock at the grant date for each award.

In connection with the Director Plans, there were compensation costs associated with the issuance of stock units of $1 million in 2019 and $(1) million in 2018. Cash compensation associated with the Director Plans was $5 million in 2020, $4 million in 2019 and $1 million in 2018. These costs are recognized in "Selling, general and administrative expenses".

(15) Income Taxes:

The following is a reconciliation of the provision for income taxes computed at the federal statutory rate to income taxes computed at the effective rates for the years ended December 31, 2020, 2019 and 2018:

	2020	2019	2018
Consolidated tax provision at federal statutory rate	21.0 %	21.0 %	21.0 %
State income tax provisions, net of federal income tax benefit	21.7	2.6	1.6
Tax reserve adjustment	(0.7)	-	0.1
Changes in certain deferred tax balances	(35.8)	(2.3)	(3.5)
Interest expense deduction	30.7	-	-
Restructuring cost	(10.0)	-	-
Goodwill impairment	-	(11.8)	(10.4)
Loss on disposal of Northwest Operations	(9.1)	-	-
Share-based payments	(0.2)	(0.1)	(0.5)
Federal research and development credit	(0.5)	-	0.1
Deferred Tax Remeasurement - 2017 Tax Reform	-	-	0.6
All other, net	0.1	-	(0.2)
Effective tax rate	17.2 %	9.4 %	8.8 %

CARES Act

On March 27, 2020, the CARES Act were each enacted in response to the COVID-19 pandemic. The CARES Act contains numerous income tax provisions, such as relaxing limitations on the deductibility of interest and the use of net operating losses arising in taxable years beginning after December 31, 2017.

The CARES Act has a number of beneficial tax provisions (e.g., deferral of the employer portion of social security taxes for the remainder of 2020, the ability to claim additional interest deductions, net operating loss carrybacks, and removal of the 80% usage limitation for post-2017 NOLs for tax years 2018, 2019 and 2020).

Employers can defer payment of the employer's share of the Social Security tax that they otherwise are responsible for paying on wages. The deferral applies to affected taxes normally required to be paid from March 27, 2020, through December 31, 2020. The deferred tax must be paid over the following two years, with half to be paid by December 31, 2021, and the other half to be paid by December 31, 2022. As of December 31, 2020, Frontier has entered the program and has deferred approximately the payment of $60 million.

The business interest deduction limit under Code Sec. 163(j) is increased to 50 percent of the taxpayer's adjusted taxable income (ATI) for the 2019 and 2020 tax years. A taxpayer may also elect for the 2020 year only to use 2019 ATI in calculating the limitation. A taxpayer may elect not to have the increased limitation apply in 2019 or 2020.

Net operating losses (NOLs) arising in tax years beginning in 2018, 2019, and 2020 now have a five-year carryback period and an unlimited carryforward period. The provision limiting an NOL deduction attributable to NOLs arising in tax years beginning after 2017 to 80 percent of taxable income does not apply during these years.

The Tax Cut and Jobs Act
On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly known as the Tax Cut and Jobs Act (the TCJA). The TCJA, makes broad and complex changes to the U.S. tax code. The TCJA reduces the corporate tax rate to 21%, effective January 1, 2018. Under ASC 740, the effects of new legislation are recognized upon enactment. Accordingly, recognition of the tax effects of the TCJA were required in the interim and annual periods that include December 22, 2017.

On December 22, 2017, the SEC staff issued Staff Accounting Bulletin No. 118 (SAB 118), which allowed the Company to record provisional amounts during a measurement period not to extend beyond one year of the enactment date. As a result, the Company previously provided provisional estimates of the effect of the TCJA in the financial statements. In the fourth quarter of 2018, the Company completed our analysis to determine the effects of the TCJA and recorded immaterial adjustments as of December 31, 2018.

Shareholders' Rights Agreement
On July 1, 2019, the Board of Directors of Frontier Communications adopted a shareholder's right plan (Rights Agreement) designed to protect the availability of the net operating loss carryforwards under the Internal Revenue Code (IRC). The Rights Agreement is intended to reduce the likelihood of an ownership change under Section 382 of the IRC by deterring any person or group of affiliated or associated persons from acquiring beneficial ownership of 4.9% or more of the outstanding common shares.

Other Tax Items
Income taxes includes the tax impact of $524 million and $72 million, related to the goodwill impairment for the years ended December 31, 2019 and 2018, respectively.

As of December 31, 2020, $13 million of expected income tax refunds are included in "Income taxes and other current assets" in the consolidated balance sheet.

In 2020, 2019 and 2018, we paid net federal and state income tax totaling $8 million, $4 million, and $4 million, respectively.

The components of the net deferred income tax liability (asset) at December 31 are as follows:

($ in millions)	2020	2019
Deferred income tax liabilities:		
Property, plant and equipment basis differences	$ 1,873	$ 2,184
Deferred revenue/expense	44	65
Other, net	56	56
	$ 1,973	$ 2,305
Deferred income tax assets:		
Pension liability	$ 308	$ 256
Intangibles	681	665
Tax operating loss carryforward	923	898
Employee benefits	207	184
Interest expense deduction limitation carryforward	44	238
Accrued expenses	75	37
Lease obligations	83	92
Tax credit	40	39
Allowance for doubtful accounts	35	32
Other, net	17	7
	2,413	2,448
Less: Valuation allowance	(783)	(605)
Net deferred income tax asset	1,630	1,843
Net deferred income tax liability	$ 343	$ 462

Our federal net operating loss carryforward as of December 31, 2020 is estimated at $1.8 billion. The majority of the federal loss carryforward will begin to expire after 2036, with $121 million carrying forward indefinitely, unless otherwise used. In connection with the sale of the Northwest Operations, Frontier utilized NOL's of approximately $857 million during the year ended December 31, 2020.

Our state tax operating loss carryforward as of December 31, 2020 is estimated at $9.4 billion. A portion of our state loss carryforward will continue to expire annually through 2039, unless otherwise used.

Our federal research and development credit as of December 31, 2020 is estimated at $12 million. The federal research and development credit will expire between 2034 and 2039, unless otherwise used.

Our various state credits as of December 31, 2020 are estimated at $34 million. The state credits will expire between 2020 and 2023, unless otherwise used.

As of December 31, 2020, Frontier has a valuation allowance of $783 million to reduce deferred tax assets to an amount more likely than not to be realized. This valuation allowance is related to state net operating losses, state tax credits, and the state impact from the federal limitation on interest expense deduction. In evaluating Frontier's ability to realize its deferred tax assets, management considers whether it is more likely than not that some or all of the deferred tax assets will not be realized. Management also considered the projected reversal of deferred tax liabilities and projected future taxable income in making this assessment. Based upon this assessment, management believes it is more likely than not Frontier will realize the benefits of these deductible differences, net of valuation allowance.

The provision (benefit) for federal and state income taxes, as well as the taxes charged or credited to equity of Frontier, includes amounts both payable currently and deferred for payment in future periods as indicated below:

($ in millions)	2020	2019	2018
Income tax expense (benefit):			
Current:			
Federal	$ (12)	$ 1	$ (1)
State	19	7	6
Total Current	7	8	5
Deferred:			
Federal	(84)	(606)	(77)
State	(7)	(13)	10
Total Deferred	(91)	(619)	(67)
Total income tax benefit	(84)	(611)	(62)
Income taxes charged (credited) to equity of Frontier:			
Deferred income taxes (benefits) arising from the recognition of additional pension/OPEB liability	35	32	(31)
Total income taxes charged (credited) to equity of Frontier	35	32	(31)
Total income tax benefit	$ (49)	$ (579)	$ (93)

U.S. GAAP requires applying a “more likely than not” threshold to the recognition and derecognition of uncertain tax positions either taken or expected to be taken in Frontier’s income tax returns. The total amount of our gross tax liability for tax positions that may not be sustained under a “more likely than not” threshold amounts to $16 million as of December 31, 2020, including immaterial interest. The amount of our uncertain tax positions, for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease during the next twelve months, and which would affect our effective tax rate, is $2 million as of December 31, 2020.

Frontier’s policy regarding the classification of interest and penalties is to include these amounts as a component of income tax expense. This treatment of interest and penalties is consistent with prior periods. We are subject to income tax examinations generally for the years 2017 forward for federal and 2016 forward for state filing jurisdictions. We also maintain uncertain tax positions in various state jurisdictions.

The following table sets forth the changes in Frontier’s balance of unrecognized tax benefits for the years ended December 31, 2019 and 2018:

($ in millions)	2020	2019
Unrecognized tax benefits - beginning of year	$ 12	$ 11
Gross increases - prior year tax positions	4	-
Gross increases - current year tax positions	-	1
Gross decreases - FIN 48 liability release	-	-
Gross decreases - expired statute of limitations	-	-
Unrecognized tax benefits - end of year	$ 16	$ 12

(16) Net Loss Per Common Share:

The reconciliation of the net loss per common share calculation for the years ended December 31, 2020, 2019 and 2018 is as follows:

($ in millions and shares in thousands, except per share amounts)	2020	2019	2018
Net loss used for basic and diluted earnings (loss) per share:			
Net loss attributable to Frontier common shareholders	$ (402)	$ (5,911)	$ (750)
Less: Dividends paid on unvested restricted stock awards	-	-	-
Total basic net loss attributable to Frontier common shareholders	$ (402)	$ (5,911)	$ (750)
Effect of loss related to dilutive stock units	-	-	-
Total diluted net loss attributable to Frontier common shareholders	$ (402)	$ (5,911)	$ (750)
Basic earnings (loss) per share:			
Total weighted average shares and unvested restricted stock awards outstanding - basic	104,944	105,356	91,523
Less: Weighted average unvested restricted stock awards	(477)	(1,291)	(1,840)
Total weighted average shares outstanding - basic	104,467	104,065	89,683
Basic net loss per share attributable to Frontier common shareholders	$ (3.85)	$ (56.80)	$ (8.37)
Diluted earnings (loss) per share:			
Total weighted average shares outstanding - basic	104,467	104,065	89,683
Effect of dilutive shares	-	-	-
Total weighted average shares outstanding - diluted	104,467	104,065	89,683
Diluted net loss per share attributable to Frontier common shareholders	$ (3.85)	$ (56.80)	$ (8.37)

In calculating diluted net loss per common share for the years ended December 31, 2020, 2019 and 2018 the effect of all common stock equivalents is excluded from the computation as the effect would be antidilutive.

Stock Options
For the year ended December 31, 2020, there were no outstanding stock options. For each of the years ended December 31, 2019 and 2018, options to purchase 1,334 shares, issuable under employee compensation plans were excluded from the computation of diluted earnings (loss) per share (EPS) for those periods because the exercise prices were greater than the average market price of our common stock and, therefore, the effect would be antidilutive.

Stock Units
At December 31, 2020, 2019 and 2018, we had 339,544, 339,544 and 348,093 stock units, respectively, issued under the Director Plans and the 2013 EIP. These securities have not been included in the diluted income per share of common stock calculation because their inclusion would have an antidilutive effect.

(17) Comprehensive Loss:

Comprehensive income (loss) consists of net income (loss) and other gains and losses affecting shareholders' equity (deficit) and pension/postretirement benefit (OPEB) liabilities that, under GAAP, are excluded from net income (loss).

The components of accumulated other comprehensive income (loss), net of tax, as of December 31, 2020, 2019 and 2018 and changes for the years then ended, are as follows:

($ in millions)	Pension Costs	OPEB Costs	Total
Balance at December 31, 2017 [1]	$ (345)	$ (21)	$ (366)
Other comprehensive income (loss) before reclassifications	(191)	51	(140)
Amounts reclassified from accumulated other comprehensive income (loss)	47	(4)	43
Net current-period other comprehensive income (loss)	(144)	47	(97)
Balance at December 31, 2018 [1]	(489)	26	(463)
Other comprehensive income (loss) before reclassifications	(201)	17	(184)
Amounts reclassified from accumulated other comprehensive income (loss)	89	(13)	76
Net current-period other comprehensive income (loss)	(112)	4	(108)
Impact of adoption of ASU 2018-02	(83)	4	(79)
Balance at December 31, 2019 [1]	(684)	34	(650)
Other comprehensive income (loss) before reclassifications	(320)	(76)	(396)
Amounts reclassified from accumulated other comprehensive income (loss)	305	(14)	291
Net current-period other comprehensive income (loss)	(15)	(90)	(105)
Balance at December 31, 2020 [1]	$ (699)	$ (56)	$ (755)

[1] Pension and OPEB amounts are net of deferred tax balances of $234 million, $204 million, $250 million and $223 million as of December 31, 2020, 2019, 2018, and 2017, respectively.

As a result of the pension settlement accounting discussed in Note 20, Frontier recorded pension settlement charges totaling $159 million ($122 million net of tax), $57 million ($43 million net of tax), and $41 million ($31 million net of tax), which were reclassified from accumulated Other comprehensive income (loss) during 2020, 2019 and 2018, respectively.

The significant items reclassified from each component of accumulated other comprehensive loss for the years ended December 31, 2020, 2019 and 2018 are as follows:

($ in millions)	Amount Reclassified from Accumulated Other Comprehensive Loss [1]			
Details about Accumulated Other Comprehensive Loss Components	2020	2019	2018	Affected Line Item in the Statement where Net loss is Presented
Amortization of Pension Cost Items [2]				
Actuarial gains (losses)	$ (99)	$ (58)	$ (24)	
Loss on disposal	(81)	-	-	
Pension settlement costs	(159)	(57)	(41)	
Reclassifications, pretax	(339)	(115)	(65)	Loss before income taxes
Tax Impact	34	26	18	Income tax (expense) benefit
Reclassifications, net of tax	$ (305)	$ (89)	$ (47)	Net loss
Amortization of OPEB Cost Items [2]				
Prior-service credits (costs)	$ 32	$ 11	$ 9	
Actuarial gains (losses)	(6)	4	(3)	
Loss on disposal	(7)	-	-	
Reclassifications, pretax	19	15	6	Loss before income taxes
Tax impact	(5)	(2)	(2)	Income tax (expense) benefit
Reclassifications, net of tax	$ 14	$ 13	$ 4	Net loss

(1) Amounts in parentheses indicate losses.
(2) These accumulated other comprehensive loss components are included in the computation of net periodic pension and OPEB costs (see Note 20 - Retirement Plans for additional details).

(18) Segment Information:

We operate in one operating and one reportable segment. Frontier provides both regulated and unregulated voice, data and video services to consumer and commercial customers and is typically the incumbent voice services provider in its service areas.

(19) Quarterly Financial Data (Unaudited):

2020

($ in millions, except per share amounts)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year
Revenue	$ 1,933	$ 1,801	$ 1,726	$ 1,695	$ 7,155
Operating income[3]	$ 272	$ 140	$ 270	$ 277	$ 959
Net earnings (loss) attributable to Frontier common shareholders [2][3]	$ (186)	$ (181)	$ 15	$ (50)	$ (402)
Basic and diluted net earnings (loss) per share attributable to Frontier common shareholders [1][2][3]	$ (1.78)	$ (1.73)	$ 0.14	$ (0.48)	$ (3.85)

(1) The quarterly net loss per share amounts are rounded to the nearest cent. Annual net loss per share may vary depending on the effect of such rounding.
(2) During 2020, Frontier recorded $409 million in reorganization items, net ($361 million net of tax) in connection with the Restructuring Plan.
(3) During 2020, we recorded aggregate losses on the disposal of our Northwest Operations of $162 million ($118 million after-tax). Refer to Note 7 for further details

2019

($ in millions, except per share amounts)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year
Revenue [3]	$ 2,101	$ 2,067	$ 1,997	$ 1,942	$ 8,107
Operating income (loss) [2][3]	$ 339	$ (5,459)	$ 26	$ 221	$ (4,873)
Net loss attributable to Frontier common shareholders [2][3]	$ (87)	$ (5,317)	$ (345)	$ (162)	$ (5,911)
Basic and diluted net loss per share attributable to Frontier common shareholders [1][2][3]	$ (0.84)	$ (51.07)	$ (3.31)	$ (1.55)	$ (56.80)

(1) The quarterly net loss per share amounts are rounded to the nearest cent. Annual net loss per share may vary depending on the effect of such rounding.
(2) During 2019, we recorded aggregate goodwill impairment charges of $5,725 million ($5,201 million after-tax). Refer to Note 8 for further details.
(3) During 2019, we recorded aggregate losses on the disposal of our Northwest Operations of $446 million ($446 million after-tax). Refer to Note 7 for further details.

(20) Retirement Plans:

We sponsor a noncontributory defined benefit pension plan covering a significant number of our former and current employees and other postretirement benefit plans that provide medical, dental, life insurance and other benefits for covered retired employees and their beneficiaries and covered dependents. The pension plan and postretirement benefit plans are closed to the majority of our newly hired employees. The benefits are based on years of service and final average pay or career average pay. Contributions are made in amounts sufficient to meet ERISA funding requirements while considering tax deductibility. Plan assets are invested in a diversified portfolio of equity and fixed-income securities and alternative investments.

The accounting results for pension and other postretirement benefit costs and obligations are dependent upon various actuarial assumptions applied in the determination of such amounts. These actuarial assumptions include the following: discount rates, expected long-term rate of return on plan assets, future compensation increases, employee turnover, healthcare cost trend rates, expected retirement age, optional form of benefit and

mortality. We review these assumptions for changes annually with our independent actuaries. We consider our discount rate and expected long-term rate of return on plan assets to be our most critical assumptions.

The discount rate is used to value, on a present value basis, our pension and other postretirement benefit obligations as of the balance sheet date. The same rate is also used in the interest cost component of the pension and postretirement benefit cost determination for the following year. The measurement date used in the selection of our discount rate is the balance sheet date. Our discount rate assumption is determined annually with assistance from our independent actuaries based on the pattern of expected future benefit payments and the prevailing rates available on long-term, high quality corporate bonds that approximate the benefit obligation.

As of December 31, 2020, 2019 and 2018, we utilized an estimation technique that is based upon a settlement model (Bond:Link) that permits us to closely match cash flows to the expected payments to participants. This rate can change from year-to-year based on market conditions that affect corporate bond yields.

As a result of the technique described above, Frontier is utilizing a discount rate of 2.60% as of December 31, 2020 for its qualified pension plan, compared to rates of 3.40% and 4.30% in 2019 and 2018, respectively. The discount rate for postretirement plans as of December 31, 2020 was a range of 2.60% to 2.80% compared to a range of 3.40% to 3.50% in 2019 and 4.30% to 4.40% in 2018.

The pension plan contains provisions that provide certain employees with the option of receiving a lump sum payment upon retirement. Frontier's accounting policy is to record these payments as a settlement only if, in the aggregate, they exceed the sum of the annual service and interest costs for the Pension Plan's net periodic pension benefit cost. During year ended December 31, 2020, lump sum pension settlement payments to terminated or retired individuals amounted to $465 million, which exceeded the settlement threshold of $211 million, and as a result, Frontier recognized non-cash settlement charges totaling $159 million during 2020. The non-cash charge accelerated the recognition of a portion of the previously unrecognized actuarial losses in the Pension Plan. These non-cash charges increased our recorded net loss and accumulated deficit, with an offset to accumulated other comprehensive loss in shareholders' equity. Frontier recognized non-cash settlement charges totaling $57 million and $41 million during 2019 and 2018, respectively.

During 2019, the Company recognized a charge of $44 million to reflect the cost of pension/OPEB special termination benefit enhancements related to a voluntary severance program.

Our pension plan assets decreased from $2,730 million at December 31, 2019 to $2,507 million at December 31, 2020, a decrease of $223 million, or 8%. This decrease was primarily a result of benefit payments of $538 million and the impact of the sale of the Northwest Operations of $70 million, partially offset by contributions of $64 million and investment returns of $321 million, net of investment management expenses and other expenses.

The expected long-term rate of return on plan assets is applied in the determination of periodic pension and postretirement benefit cost as a reduction in the computation of the expense. In developing the expected long-term rate of return assumption, we considered published surveys of expected market returns, 10 and 20 year actual returns of various major indices, and our own historical 5 year, 10 year and 20 year investment returns. The expected long-term rate of return on plan assets is based on an asset allocation assumption of 40% in long-duration fixed income securities, and 60% in equity securities and other investments. We review our asset allocation at least annually and make changes when considered appropriate. Our pension asset investment allocation decisions are made by the Retirement Investment & Administration Committee (RIAC), a committee comprised of members of management, pursuant to a delegation of authority by the Board of Directors. Asset allocation decisions take into account expected market return assumptions of various asset classes as well as expected pension benefit payment streams. When analyzing anticipated benefit payments, management considers both the absolute amount of the payments as well as the timing of such payments. Our expected long-term rate of return on plan assets was 7.50% in 2020 and 2019. For 2021, we expect to assume a rate of return of 7.50%. Our pension plan assets are valued at fair value as of the measurement date. The measurement date used to determine pension and other postretirement benefit measures for the pension plan and the postretirement benefit plan is December 31. The remeasured funded status of the pension plan was approximately 68%, as of December 31, 2020.

Pension Benefits

The following tables set forth the pension plan's projected benefit obligations, fair values of plan assets and the pension benefit liability recognized on our consolidated balance sheets as of December 31, 2020 and 2019 and the components of total pension benefit cost for the years ended December 31, 2020, 2019 and 2018. The below tables include all investment activity related to assets and obligations that were transferred in connection with the planned divestiture of our Northwest Operations:

($ in millions)	2020	2019
Change in projected benefit obligation (PBO)		
PBO at beginning of year	$ 3,726	$ 3,173
Service cost	95	82
Interest cost	108	130
Actuarial (gain) loss	506	603
Benefits paid	(73)	(65)
Impact of Divestiture of Northwest Operations[1]	(189)	-
Settlements	(465)	(235)
Special termination benefits	-	38
PBO at end of year	$ 3,708	$ 3,726
Change in plan assets		
Fair value of plan assets at beginning of year	$ 2,730	$ 2,348
Fair value of plan assets for the Northwest Operations	(70)	-
Actual return on plan assets	321	516
Employer contributions	64	166
Settlements	(465)	(235)
Benefits paid	(73)	(65)
Fair value of plan assets at end of year	$ 2,507	$ 2,730
Funded status	$ (1,201)	$ (996)
Amounts recognized in the consolidated balance sheet		
Pension and other postretirement benefits - current	$ -	$ -
Pension and other postretirement benefits - noncurrent	$ (1,201)	$ (996)
Accumulated other comprehensive loss	$ 915	$ 899

[1] Includes a gain of $20 million related to the elimination of future compensation increases as a result of the divestiture of the Northwest Operations.

($ in millions)	2020	2019	2018
Components of total pension benefit cost			
Service cost	$ 95	$ 82	$ 90
Interest cost on projected benefit obligation	108	130	125
Expected return on plan assets	(171)	(172)	(192)
Amortization of unrecognized loss	99	58	24
Net periodic pension benefit cost	131	98	47
Pension settlement costs	159	57	41
Pension special termination benefit enhancements	-	38	-
Gain on disposal, net	(38)	-	-
Total pension benefit cost	$ 252	$ 193	$ 88

During the year ended December 31, 2020, Frontier recorded aggregate pension settlement charges of $159 million related to lump sum pension settlement payments to terminated or retired individuals and completed its sale of the Northwest Operations. In accordance with ASC 715, *Compensation - Retirement Benefits* (ASC 715), Frontier remeasured its pension plan during the year ended December 31, 2020. These remeasurements resulted in an increase in our pension liabilities and a remeasurement charge to Other comprehensive income (loss) of $506 million for the year ended December 31, 2020.

For the pension plan, the largest contributors to the actuarial loss affecting the benefit obligation from December 31, 2019 to December 31, 2020 was the decrease in the discount rate from 3.40% to 2.60% and decrease in the interest rate related assumptions (cash balance interest crediting rates and lump sum conversion interest rates).

For the pension plan, the largest contributors to the actuarial loss affecting the benefit obligation from December 31, 2018 to December 31, 2019 was the decrease in the discount rate from 4.30% to 3.40% and decrease in the interest rate related assumptions (cash balance interest crediting rates and lump sum conversion interest rates).

We capitalized $25 million, $24 million and $26 million of pension and OPEB expense into the cost of our capital expenditures during the years ended December 31, 2020, 2019 and 2018, respectively, as the costs relate to our engineering and plant construction activities.

The plan's weighted average asset allocations at December 31, 2020 and 2019 by asset category are as follows:

	2020	2019
Asset category:		
Equity securities	49 %	49 %
Debt securities	37 %	39 %
Alternative investments	14 %	12 %
Total	100 %	100 %

The plan's expected benefit payments over the next 10 years are as follows:

($ in millions)	Amount
2021	$ 255
2022	252
2023	253
2024	256
2025	257
2026-2030	1,239
Total	$ 2,512

Prior to the CARES Act, required pension plan contributions for fiscal year 2020 were approximately $180 million. The CARES Act (passed in March 2020) allowed employers to postpone making pension contributions due in 2020 until January 4, 2021. As a result, Frontier decided to defer all of its remaining 2020 fiscal year required contributions (approximately $147 million including additional interest).

On December 31, 2020, a $27 million contribution was made for the 2019 plan year. The remaining required contributions were further delayed past the January 4, 2021 deadline (approximately $120 million including additional interest to January 4, 2021). The consequence of this further delay is that contributions after the deadline of January 4, 2021 will require late penalty interest. However, Frontier has previously applied for a waiver of delayed contributions per minimum funding standard regulations under Section 412(c) of the Internal Revenue Code and Section 302(c) of the Employee Retirement Income Security Act of 1974. This waiver would delay payments by spreading the 2020 plan year contributions, determined as of January 1, 2020 (approximately $173 million in total), over the five subsequent plan years.

In 2019, required pension plan contributions were approximately $166 million.

In 2018, required pension plan contributions were approximately $150 million, consisting of cash payments of $113 million and the contribution of real property with a fair value of $37 million. See Note 9 for further discussion of contributed real estate.

The accumulated benefit obligation for the plan was $3,640 million and $3,646 million at December 31, 2020 and 2019, respectively.

Assumptions used in the computation of annual pension costs and valuation of the year-end obligations were as follows:

	2020	2019	2018
Discount rate - used at year end to value obligation	2.60 %	3.40 %	4.30 %
Discount rate - used at beginning of year to compute annual cost	3.40 %	4.30 %	3.70 %
Expected long-term rate of return on plan assets	7.50 %	7.50 %	7.50 %
Rate of increase in compensation levels	2.00 %	2.00 %	2.00 %

Postretirement Benefits Other Than Pensions - “OPEB”

The following tables set forth the OPEB plans’ benefit obligations, fair values of plan assets and the postretirement benefit liability recognized on our consolidated balance sheets as of December 31, 2020 and 2019 and the components of total postretirement benefit cost for the years ended December 31, 2020, 2019 and 2018. The below tables include all investment activity related to assets and obligations that are expected to be transferred in connection with the planned divestiture of our Northwest Operations:

($ in millions)	2020	2019
Change in benefit obligation		
Benefit obligation at beginning of year	$ 972	$ 965
Impact of Divestiture of Northwest Operations	(31)	-
Service cost	20	20
Interest cost	33	41
Plan amendments	-	(149)
Plan participants' contributions	9	7
Actuarial loss	100	129
Benefits paid	(61)	(47)
Special termination benefits	-	6
Benefit obligation at end of year	$ 1,042	$ 972
Change in plan assets		
Fair value of plan assets at beginning of year	$ -	$ -
Plan participants' contributions	9	7
Employer contribution	52	40
Benefits paid	(61)	(47)
Fair value of plan assets at end of year	$ -	$ -
Funded status	$ (1,042)	$ (972)
Amounts recognized in the consolidated balance sheet		
Pension and other postretirement benefits - current	$ (48)	$ (43)
Pension and other postretirement benefits - noncurrent	$ (994)	$ (900)
Pension and other postretirement benefits - AHFS*	$ -	$ (29)
Accumulated other comprehensive (gain) loss	$ 74	$ (45)

* Assets Held for Sale

($ in millions)	2020	2019	2018
Components of total postretirement benefit cost			
Service cost	$ 20	$ 20	$ 21
Interest cost on projected benefit obligation	33	41	38
Amortization of prior service credit	(32)	(11)	(9)
Amortization of unrecognized (gain) loss	6	(4)	3
Net periodic postretirement benefit cost	27	46	53
OPEB special termination benefit enhancements	-	6	-
Gain on disposal, net	(24)	-	-
Total postretirement benefit cost	$ 3	$ 52	$ 53

During 2020, actuarial losses of $100 million were primarily driven by reductions in the discount rates used to measure our OPEB plans.

During 2019, Frontier amended the medical coverage for certain postretirement benefit plans, which resulted in a $149 million reduction in the accumulated postretirement benefit obligation. Remeasurement of the postretirement benefit plan obligation resulted in an actuarial loss of $129 million.

Assumptions used in the computation of annual OPEB costs and valuation of the year-end OPEB obligations were as follows:

	2020	2019	2018
Discount rate - used at year end to value obligation	2.60% - 2.80%	3.40% - 3.50%	4.30% - 4.40%
Discount rate - used to compute annual cost	3.40% - 3.50%	4.30% - 4.40%	3.70% - 3.80%

The OPEB plan's expected benefit payments over the next 10 years are as follows:

($ in millions)	Gross Benefit	Medicare Part D Subsidy	Total
2021	$ 49	$ -	$ 49
2022	48	-	48
2023	48	-	48
2024	52	-	52
2025	48	-	48
2026-2030	278	2	280
Total	$ 523	$ 2	$ 525

For purposes of measuring year-end benefit obligations, we used, depending on medical plan coverage for different retiree groups, a 7.00% annual rate of increase in the per-capita cost of covered medical benefits, gradually decreasing to 5.00% in the year 2029 and remaining at that level thereafter.

The amounts in accumulated other comprehensive loss before tax that have not yet been recognized as components of net periodic benefit cost at December 31, 2020 and 2019 are as follows:

	Pension Plan		OPEB	
($ in millions)	2020	2019	2020	2019
Net actuarial loss	$ 915	$ 899	$ 192	$ 105
Prior service credit	-	-	(118)	(150)
Total	$ 915	$ 899	$ 74	$ (45)

The amounts recognized as a component of accumulated other comprehensive loss for the years ended December 31, 2020 and 2019 are as follows:

	Pension Plan		OPEB	
($ in millions)	2020	2019	2020	2019
Accumulated other comprehensive (gain) loss at beginning of year	$ 899	$ 754	$ (45)	$ (41)
Net actuarial (gain) loss amortized during year	(99)	(58)	(6)	4
Net loss on disposal recognized during the year	(81)	-	(7)	-
Prior service credit amortized during year	-	-	32	11
Prior service credit occurring during year	-	-	-	(149)
Net actuarial loss occurring during year	355	260	100	130
Settlement loss recognized	(159)	(57)	-	-
Net amount recognized in comprehensive income (loss) for the year	16	145	119	(4)
Accumulated other comprehensive (gain) loss at end of year	$ 915	$ 899	$ 74	$ (45)

401(k) Savings Plans

We sponsor employee retirement savings plans under section 401(k) of the Internal Revenue Code. The plans cover substantially all full-time employees. Under certain plans, we provide matching contributions. Employer contributions were $39 million, $44 million and $45 million for 2020, 2019 and 2018, respectively.

(21) Fair Value of Financial Instruments:

Fair value is defined under GAAP as the exit price associated with the sale of an asset or transfer of a liability in an orderly transaction between market participants at the measurement date. Valuation techniques used to measure fair value under GAAP must maximize the use of observable inputs and minimize the use of unobservable inputs. In addition, GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value.

The three input levels in the hierarchy of fair value measurements are defined by the FASB generally as follows:

Input Level	Description of Input
Level 1	Observable inputs such as quoted prices in active markets for identical assets.
Level 2	Inputs other than quoted prices in active markets that are either directly or indirectly observable.
Level 3	Unobservable inputs in which little or no market data exists.

The following tables represent Frontier's pension plan assets measured at fair value on a recurring basis as of December 31, 2020 and 2019:

	Fair Value Measurements at December 31, 2020			
($ in millions)	Total	Level 1	Level 2	Level 3
Cash and Cash Equivalents	$ 55	$ 55	$ -	$ -
U.S. Government Obligations	48	-	48	-
Corporate and Other Obligations	506	-	506	-
Common Stock	510	510	-	-
Preferred Stock	3	3	-	-
Interest in Registered Investment Companies [1]	140	140	-	-
Interest in Limited Partnerships and Limited Liability Companies	166	-	-	166
Total investments at fair value	$ 1,428	$ 708	$ 554	$ 166
Common/Collective Trusts [1]	1,073			
Interest in Registered Investment Companies [1]	32			
Interest and Dividend Receivable	5			
Due from Broker for Securities Sold	22			
Receivable Associated with Insurance Contract	7			
Due to Broker for Securities Purchased	(60)			
Total Plan Assets, at Fair Value	$ 2,507			

	Fair Value Measurements at December 31, 2019			
($ in millions)	Total	Level 1	Level 2	Level 3
Cash and Cash Equivalents	$ 46	$ 46	$ -	$ -
U.S. Government Obligations	39	-	39	-
Corporate and Other Obligations	547	-	547	-
Common Stock	552	552	-	-
Preferred Stock	4	4	-	-
Interest in Registered Investment Companies [1]	150	150	-	-
Interest in Limited Partnerships and Limited Liability Companies	163	-	-	163
Total investments at fair value	$ 1,501	$ 752	$ 586	$ 163
Common/Collective Trusts [1]	1,177			
Interest in Registered Investment Companies [1]	87			
Interest and Dividend Receivable	6			
Due from Broker for Securities Sold	61			
Receivable Associated with Insurance Contract	7			
Due to Broker for Securities Purchased	(109)			
Total Plan Assets, at Fair Value	$ 2,730			

(1) Investments that are measured at fair value using the net asset value (NAV) practical expedient have not been classified in the fair value hierarchy. The fair value of common/collective trusts are estimated using the NAV per share multiplied by the number of shares of the trust investment held as of the measurement date. Additionally, the fair value of certain assets totaling $32 million and $87 million, as of December 31, 2020 and 2019, respectively, included in "Interest in Registered Investment Companies" were estimated using the NAV practical expedient. These balances are intended to permit reconciliation of the fair value hierarchy to the plan asset amounts presented in Note 20 - Retirement Plans.

There have been no reclassifications of investments between Levels 1, 2 or 3 assets during the years ended December 31, 2020 or 2019.

The tables below set forth a summary of changes in the fair value of the Plan's Level 3 assets for the years ended December 31, 2020 and 2019:

	Interest in Limited Partnerships and Limited Liability Companies	
($ in millions)	2020	2019
Balance at beginning of year	$ 163	$ 155
Realized gains	14	14
Unrealized gains	3	8
Sales and distributions	(14)	(14)
Balance at end of year	$ 166	$ 163

The following table provides further information regarding the redemption of the Plan's Level 3 investments as well as information related to significant unobservable inputs and the range of values for those inputs for the Plan's interest in certain limited partnerships and limited liability companies as of December 31, 2020:

($ in millions)	Fair Value	Liquidation Period	Capitalization Rate
Interest in Limited Partnerships and Limited Liability Companies [4]			
MS IFHF SVP LP Cayman [1]	$ 1	4 years	N/A
RII World Timberfund, LLC [2]	5	2 years	N/A
426 E. Casino Road, LLC [3]	17	N/A	7.00%
100 Comm Drive, LLC [3]	10	N/A	7.75%
100 CTE Drive, LLC [3]	11	N/A	9.50%
6430 Oakbrook Parkway, LLC [3]	27	N/A	7.75%
8001 West Jefferson, LLC [3]	29	N/A	8.75%
1500 MacCorkle Ave SE, LLC [3]	15	N/A	8.75%
400 S. Pike Road West, LLC [3]	1	N/A	8.50%
601 N. US 131, LLC [3]	1	N/A	9.50%
9260 E. Stockton Blvd., LLC [3]	7	N/A	7.25%
120 E. Lime Street, LLC [3]	9	N/A	9.00%
610 N. Morgan Street, LLC [3]	33	N/A	8.50%
Total Interest in Limited Partnerships and Limited Liability Companies	$ 166		

(1) The partnerships' investment objective is to seek capital appreciation principally through investing in investment funds managed by third party investment managers who employ a variety of alternative investment strategies. These instruments are subject to certain withdrawal restrictions. The Plan is in the process of liquidating its interest in the partnerships and distributions are expected to be made over the next four years.

(2) The fund's objective is to realize substantial long-term capital appreciation by investing in timberland properties primarily in South America and Australia. This investment is subject to certain withdrawal restrictions. In 2019, the fund entered into liquidation period of the partnerships and distributions are expected to be made over the next two years.

(3) The entity invests in commercial real estate properties that are leased to Frontier. The leases are triple net, whereby Frontier is responsible for all expenses, including but not limited to, insurance, repairs and maintenance and payment of property taxes.

(4) All Level 3 investments have the same redemption frequency (through the liquidation of underlying investments) and redemption notice period (none). The fair value of these properties is based on independent appraisals.

The following table summarizes the carrying amounts and estimated fair values for long-term debt at December 31, 2020 and 2019. For the other financial instruments including cash, accounts receivable, restricted cash, accounts payable and other current liabilities, the carrying amounts approximate fair value due to the relatively short maturities of those instruments.

The fair value of our long-term debt (including $10,949 million of debt classified in Liabilities subject to compromise at December 31, 2020) is estimated based upon quoted market prices at the reporting date for those financial instruments.

	2020		2019	
($ in millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Total debt	$ 16,769	$ 11,635	$ 17,516	$ 12,026

The fair value of our long-term debt is estimated based upon quoted market prices at the reporting date for those financial instruments.

(22) Commitments and Contingencies:

Although from time to time we make short-term purchasing commitments to vendors with respect to capital expenditures, we generally do not enter into firm, written contracts for such activities.

In 2015, Frontier accepted the FCC's CAF Phase II offer in 29 states, which provides $332 million in annual support through and in return, the Company is committed to make broadband available to approximately 774,000 locations within its footprint. This amount included approximately 41,000 locations and $19 million in annual support related to the four states of the Northwest Operations, which were disposed on May 1, 2020.

On January 30, 2020, the FCC adopted an order establishing the Rural Digital Opportunity Fund (RDOF) program. The FCC held the RDOF Phase I auction from October 29, 2020 through November 25, 2020 and announced the results on December 7, 2020. Frontier was awarded approximately $371 million over ten years to build gigabit capable broadband over a fiber-to-the-premises network to approximately 127,000 locations across eight states (California, Connecticut, Florida, Illinois, New York, Pennsylvania, Texas, and West Virginia). Frontier submitted its Long Form application to the FCC on January 29, 2021 and, assuming the long-form application is granted by the FCC, anticipates that it will begin receiving funding on January 1, 2022, in which case, Frontier will be required to complete the buildout to these locations by December 31, 2027, with interim target milestones over this period. After the FCC updates its maps with more granular broadband availability information, the FCC plans to hold a second auction (RDOF Phase II) for any remaining locations with the remaining funding, up to approximately $11.2 billion.

Recognizing that RDOF support will not be made available before the end of the sixth year of CAF Phase II support (i.e., December 31, 2020), the FCC's RDOF order explains that CAF II recipients may elect to receive a seventh year of CAF Phase II support through December 31, 2021, whether or not they participate, or are successful in, an RDOF auction. Frontier timely elected to receive a seventh year of model-based support in 25 states. As such, Frontier will continue to receive annual CAF Phase II support in the remaining 25 states until December 31, 2021. Implementation of the RDOF could result in a material change in the level of funding that Frontier receives from the FCC under CAF II as early as 2022.

On April 20, 2017, the FCC issued an Order that significantly altered how Commercial Data Services are regulated. Specifically, the Order adopted a test to determine, on a county-by-county basis, whether price cap ILECs, like Frontier's DS1 and DS3 services, will continue to be regulated. The test resulted in deregulation in a substantial number of our markets and is allowing Frontier to offer its DS1 and DS3 services in a manner that better responds to the competitive marketplace and allows for commercial negotiation. The areas that remain regulated may be subject to price fluctuations depending upon the price cap formula that year. Multiple parties appealed the order in the 8th Circuit Court of Appeals. The Court of Appeals issued a ruling August 28, 2018, which upheld the vast majority of the FCC's decision easing regulation of business data services of internet service providers and vacated and remanded one part of the order back to the FCC. On October 10, 2018, the FCC filed a Motion to

Stay the Court's Decision. On July 12, 2019, the FCC released an order addressing the matters remanded by the Court of Appeals. Frontier cannot predict the extent to which these regulatory changes could affect revenues at this time.

On April 30, 2018, an amended consolidated class action complaint was filed in the United States District Court for the District of Connecticut on behalf of certain purported stockholders against Frontier, certain of its current and former directors and officers and the underwriters of certain Frontier securities offerings. The complaint was brought on behalf of all persons who (1) acquired Frontier common stock between February 6, 2015 and February 28, 2018, inclusive, and/or (2) acquired Frontier common stock or Mandatory Convertible Preferred Stock either in or traceable to Frontier's offerings of common and preferred stock conducted on or about June 2, 2015 and June 8, 2015. The complaint asserted, among other things, violations of Section 10(b) of the Securities Exchange Act of 1934, as amended (the Exchange Act), and Rule 10b-5 thereunder, Section 20(a) of the Exchange Act and Sections 11 and 12 of the Securities Act of 1933, as amended (the Securities Act), in connection with certain disclosures relating to the CTF Acquisition. The complaint sought, among other things, damages and equitable and injunctive relief. On March 8, 2019, the District Court granted in its entirety Frontier's motion to dismiss the complaint. The District Court dismissed with prejudice a number of claims and with respect to certain other claims that were not dismissed with prejudice, Plaintiffs were permitted to seek the court's permission to refile. On May 10, 2019, Plaintiffs filed a motion for leave to amend along with a proposed amended complaint that is narrower in scope than the dismissed complaint. On March 24, 2020, the court denied plaintiffs' motion for leave to amend, finding that they had not pled a viable claim. Plaintiffs appealed and the case was stayed by the Second Circuit Court of Appeals. We continue to dispute the allegations and intend to vigorously defend against such claims. In addition, shareholders have filed derivative complaints on behalf of the Company in Connecticut, California, and Delaware courts. The derivative complaints are based, generally, on the same facts asserted in the consolidated class action complaint and allege against current and former officers and directors of the Company (i) breach of fiduciary duty claims for disseminating false and misleading information to shareholders, failure to manage internal controls, and failure to oversee and manage the company; (ii) unjust enrichment and waste of corporate assets claims; and (iii) violations of Section 14(a) of the Exchange Act for the false and misleading statements. We also dispute the allegations in the derivative complaints described above and intend to vigorously defend against such claims. Given that all of these matters are in the early stages of litigation, we are unable to estimate a reasonably possible range of loss, if any, that may result.

In addition, we are party to various legal proceedings (including individual actions, class and putative class actions, and governmental investigations) arising in the normal course of our business covering a wide range of matters and types of claims including, but not limited to, general contract disputes, billing disputes, rights of access, taxes and surcharges, consumer protection, advertising, sales and the provision of services, trademark and patent infringement, employment, regulatory, tort, claims of competitors and disputes with other carriers. Litigation is subject to uncertainty and the outcome of individual matters is not predictable. However, we believe that the ultimate resolution of all such matters, after considering insurance coverage or other indemnities to which we are entitled, will not have a material adverse effect on our financial position, results of operations, or cash flows.

In October 2013, the California Attorney General's Office notified certain Verizon companies, including one of the subsidiaries that we acquired in the CTF Acquisition, of potential violations of California state hazardous waste statutes primarily arising from the disposal of electronic components, batteries and aerosol cans at certain California facilities. We are cooperating with this investigation. We have accrued an amount for potential penalties that we deem to be probable and reasonably estimated, and we do not expect that any potential penalties, if ultimately incurred, will be material in comparison to the established accrual.

We accrue an expense for pending litigation when we determine that an unfavorable outcome is probable, and the amount of the loss can be reasonably estimated. Legal defense costs are expensed as incurred. None of our existing accruals for pending matters, after considering insurance coverage, is material. We monitor our pending litigation for the purpose of adjusting our accruals and revising our disclosures accordingly, when required. Litigation is, however, subject to uncertainty, and the outcome of any particular matter is not predictable. We will vigorously defend our interests in pending litigation, and as of this date, we believe that the ultimate resolution of all such matters, after considering insurance coverage or other indemnities to which we are entitled, will not have a material adverse effect on our consolidated financial position, results of operations, or our cash flows.

As part of the sale of the Northwest Operations, Frontier indemnified the purchaser for customary post-closing matters, including, among other things, breaches of certain covenants, agreements and warranties, and other obligations included in the purchase agreement. While Frontier intends to comply with its obligations under the purchase agreement, we could be obligated to make payments pursuant to these provisions in the future.

We conduct certain of our operations in leased premises and also lease certain equipment and other assets pursuant to operating leases. The lease arrangements have terms ranging from 1 to 99 years and several contain rent escalation clauses providing for increases in monthly rent at specific intervals. When rent escalation clauses exist, we record annual rental expense based on the total expected rent payments on a straight-line basis over the lease term. Certain leases also have renewal options. Renewal options that are reasonably assured are included in determining the lease term.

Effect of Automatic Stay
Subject to certain exceptions under the Bankruptcy Code, the filing of the Company Parties' Chapter 11 Cases automatically stayed the continuation of most legal proceedings or the filing of other actions against or on behalf of the Company Parties or their property to recover on, collect or secure a claim arising prior to the Petition Date or to exercise control over property of the Company Parties' bankruptcy estates, unless and until the Bankruptcy Court modifies or lifts the automatic stay as to any such claim. Notwithstanding the general application of the automatic stay described above, governmental authorities may determine to continue actions brought under their police and regulatory powers.

We are party to contracts with several unrelated long-distance carriers. The contracts provide fees based on traffic they carry for us subject to minimum monthly fees.

At December 31, 2020, the estimated future payments for obligations under our noncancelable long-distance contracts and joint pole and communications service agreements are as follows:

($ in millions)	Amount
Year ending December 31:	
2021	$ 85
2022	22
2023	19
2024	4
2025	2
Thereafter	4
Total	$ 136

At December 31, 2020, we have outstanding performance letters of credit as follows:

($ in millions)	Amount
CNA Financial Corporation (CNA)	$ 49
AIG Insurance	28
Zurich [1]	62
Total	$ 139

[1] Zurich letters of credit exclude approximately $57 million of cash held in trust in lieu of issuing letters of credit.

CNA serves as our insurance carrier with respect to casualty claims (auto liability, general liability and workers' compensation) with dates of loss prior to June 1, 2017 (except for those claims which arise out of the operations acquired from CTF that have dates of loss prior to April 1, 2016). As our insurance carrier, they administer the casualty claims and make claim payments on our behalf. We reimburse CNA for such services upon presentation of their invoice. To serve as our carrier and make payments on our behalf, CNA requires that we establish a

letter of credit in their favor. CNA could potentially draw against this letter of credit if we failed to reimburse CNA in accordance with the terms of our agreement. The amount of the letter of credit is reviewed annually and adjusted based on claims history.

Zurich serves as our insurance carrier with respect to casualty claims (auto liability, general liability and workers' compensation) with dates of loss from June 1, 2017 and going forward. As our insurance carrier, they administer the casualty claims and make claim payments on our behalf. We reimburse Zurich for such services upon presentation of their invoice. To serve as our carrier and make payments on our behalf, Zurich requires that we establish letters of credit in their favor. Zurich could potentially draw against these letters of credit if we failed to reimburse Zurich in accordance with the terms of our agreement. The amount of the letters of credit is reviewed annually and adjusted based on claims history.

AIG Insurance serves as our insurance carrier with respect to casualty claims (auto liability, general liability and workers' compensation) that were acquired from CTF, as well as new claims which arise out of the operations acquired from CTF that have dates of loss prior to April 1, 2016. Sedgwick, a third-party claims administrator, administers the casualty claims and makes claim payments on our behalf. We reimburse Sedgwick for such services upon presentation of their invoice. However, to serve as our insurance carrier, AIG Insurance requires that we establish a letter of credit in their favor. AIG Insurance could potentially draw against this letter of credit if we failed to meet the insurance-related and claims-related obligations we assumed in accordance with the terms of our agreement. The amount of the letter of credit is reviewed annually and adjusted based on claims history.

Schedule of Pledged Subsidiary Financial Data

As of December 31, 2020, the Company's secured indebtedness consisted of obligations under the DIP Credit Term Loan Facility, and the Secured Note Indentures, each of which is secured equally and ratably by pledges of the outstanding equity interests in certain of the Company's wholly-owned subsidiaries (the Original Pledged Subsidiaries). The equity interests of the remaining subsidiaries of the Company are not pledged to secure the obligations under these debt agreements.

The financial statements were prepared using Frontier's historical basis in the assets and liabilities of the Pledged Subsidiaries, and its combined financial statements include all revenue, costs, assets, and liabilities directly attributable to the Pledged Subsidiaries. Historically, Frontier provided certain corporate services to the Pledged Subsidiaries and costs associated with these functions have been allocated to the Pledged Subsidiaries. Management believes these expenses have been allocated using reasonable allocation methodologies to the services provided, primarily based on relative percentage of total net sales, relative percentage of headcount, or specific identification.

The allocations may not reflect the expense the Pledged Subsidiaries would have incurred as a stand-alone company for the periods presented. Actual costs that may have been incurred if the Pledged Subsidiaries had been a stand-alone company would depend on a number of factors, including the chosen organizational structure, what functions were outsourced or performed by employees, and strategic decisions made in certain areas. The total shareholder's equity represents Frontier's interest in the Pledged Subsidiaries' recorded net assets.

Allocated operating expenses include corporate costs, employee benefits (medical, dental and vision), 401(k) contributions, pension and postretirement benefits, stock-based compensation relating to restricted stock issuances, collections on receivables and acquisition and integration costs incurred by Frontier. Operating expenses, excluding depreciation expense, are allocated from Frontier primarily based on revenue.

Taxes are allocated from Frontier based on the Pledged Subsidiaries' relative contribution to the consolidated financial results.

The Pledged Subsidiaries are part of a centralized cash management system with Frontier in which cash received by Frontier on Pledged Subsidiaries' behalf and cash disbursements made by Frontier on Pledged Subsidiaries' behalf are recorded through intercompany accounts. These transactions include receipts and disbursements related to income taxes attributable to federal and state jurisdictions and capital expenditures, among others.

The following supplemental financial information presents the consolidating balance sheet information and statement of operations information of the Pledged Subsidiaries, all other Frontier entities, and the Pledged Subsidiaries and all other Frontier entities on a consolidated basis, as of and for the year ended December 31, 2020. A listing of the Guarantors and Pledged Subsidiaries is provided following the financial statements.

Schedule of Pledged Subsidiary Financial Data

CONSOLIDATING BALANCE SHEET INFORMATION
AS OF DECEMBER 31, 2020
($ in millions)

	Pledged & Guarantor Subsidiaries	All Other Entities	Intercompany Eliminations	Total Consolidated Frontier
ASSETS				
Current assets:				
Cash and cash equivalents	$ -	$ 1,829	$ -	$ 1,829
Accounts receivable, less allowances of $130	491	87	(25)	553
Contract acquisition costs	-	97	-	97
Prepaid expenses	1	89	-	90
Income taxes and other current assets	(2)	87	-	85
Total current assets	490	2,189	(25)	2,654
Property, plant and equipment, net	11,334	1,597	-	12,931
Goodwill, net	-	-	-	-
Other intangibles, net	587	90	-	677
Other assets	129	404	-	533
Receivable from (payable to) associated companies	2,188	(3,160)	972	-
Investment in associated companies	-	18,659	(18,659)	-
Total assets	$ 14,728	$ 19,779	$ (17,712)	$ 16,795
LIABILITIES AND EQUITY (DEFICIT)				
Current liabilities:				
Long-term debt due within one year	$ 812	$ 4,969	$ -	$ 5,781
Accounts payable	199	366	(25)	540
Advanced billings	185	17	-	202
Accrued other taxes	122	82	-	204
Accrued interest	16	31	-	47
Pension and other postretirement benefits	-	48	-	48
Other current liabilities	303	15	-	318
Total current liabilities	1,637	5,528	(25)	7,140
Deferred income taxes	1,553	(1,210)	-	343
Pension and other postretirement benefits	1	2,194	-	2,195
Other liabilities	224	228	-	452
Liabilities subject to compromise	14	11,551	-	11,565
Advances from (to) associated companies	-	(969)	969	-
Total liabilities	3,429	17,322	944	21,695
Equity (Deficit):				
Common stock	1,679	(1,613)	(39)	27
Additional paid-in capital	11,663	11,668	(18,514)	4,817
Accumulated deficit	(2,043)	(6,829)	(103)	(8,975)
Accumulated other comprehensive loss, net of tax	-	(755)	-	(755)
Treasury common stock	-	(14)	-	(14)
Total equity (deficit)	11,299	2,457	(18,656)	(4,900)
Total liabilities and equity (deficit)	$ 14,728	$ 19,779	$ (17,712)	$ 16,795

Schedule of Pledged Subsidiary Financial Data

CONSOLIDATING STATEMENT OF OPERATIONS INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020
($ in millions)

	Pledged and Guarantor Subsidiaries	All Other Entities	Intercompany Eliminations	Total Consolidated Frontier
Revenue	$ 6,205	$ 1,013	$ (63)	$ 7,155
Operating expenses:				
Network access expenses	736	291	(52)	975
Network related expenses	1,638	95	(7)	1,726
Selling, general and administrative expenses	1,563	89	(4)	1,648
Depreciation and amortization	1,417	181	-	1,598
Loss on disposal of Northwest Operations	-	162	-	162
Restructuring costs and other charges	-	87	-	87
Total operating expenses	5,354	905	(63)	6,196
Operating income	851	108	-	959
Investment and other income (loss), net	10	(53)	-	(43)
Pension settlement costs	-	(159)	-	(159)
Loss on early extinguishment of debt	-	(72)	-	(72)
Reorganization items, net	-	(409)	-	(409)
Interest expense	(66)	(696)	-	(762)
Income (Loss) before income taxes	795	(1,281)	-	(486)
Income tax benefit	(17)	(67)	-	(84)
Net income (loss)	$ 812	$ (1,214)	$ -	$ (402)

Schedule of Pledged Subsidiary Financial Data

List of Guarantors and Pledged Subsidiaries *as of December 31, 2020*	
Entity Name	
Frontier Southwest Incorporated	Pledged and Guarantor
Frontier Florida LLC	Pledged and Guarantor
Frontier Communications of Iowa, LLC	Pledged and Guarantor
Frontier Communications of Wisconsin LLC	Pledged and Guarantor
Citizens Telecommunications Company of Tennessee L.L.C.	Pledged and Guarantor
Citizens Telecommunications Company of Utah	Pledged and Guarantor
Frontier Communications of Minnesota, Inc.	Guarantor
Citizens Telecommunications Company of Minnesota, LLC	Guarantor
Citizens NEWTEL, LLC	Pledged
Citizens Telecommunications Company of California, Inc	Pledged
Citizens Telecommunications Company of Illinois	Pledged
Commonwealth Telephone Enterprises	Pledged
Frontier Communications ILEC Holdings LLC	Pledged
Frontier Subsidiary Telco LLC	Pledged
Newco West Holdings LLC	Pledged
The Southern New England Telephone Company	Pledged

Exhibit 4.41

Description of Securities Registered
Pursuant to Section 12 of the
Securities Exchange Act of 1934

As of March 4, 2021, Frontier has common stock, par value $0.25 per share ("Common Stock"), and preferred stock purchase rights ("Rights") registered under Section 12 of the Securities Exchange Act of 1934. The following description of our Common Stock is based upon our Restated Certificate of Incorporation, as amended through the date hereof ("Certificate of Incorporation"), our By-Laws, as amended and restated, effective as of May 7, 2019 ("By-Laws") and applicable provisions of law. We have summarized certain portions of the Certificate of Incorporation and By-Laws below. The following description of our Rights is based upon the Section 382 Rights Agreement, dated July 1, 2019, between the Company and Computershare Trust Company, N.A. as rights agent (the "Rights Agreement") and the Certificate of Designations of Series B Preferred Stock, dated July 1, 2019 (the "Certificate of Designations"). These summaries are not complete. The Certificate of Incorporation, By-Laws, Rights Agreement and Certificate of Designations are incorporated by reference as exhibits to the Annual Report on Form 10-K to which this exhibit is a part. You should read the Certificate of Incorporation, By-Laws and Rights Agreement for the provisions that are important to you. References in this section to "Frontier," "we," "us" and "our" are to Frontier Communications Corporation, unless otherwise stated or the context so requires.

General

Under our Certificate of Incorporation our total authorized capital stock consists of 50,000,000 shares of preferred stock, par value $0.01 per share ("Preferred Stock"), and 1,750,000,000 shares of common stock, par value $0.25 per share ("Common Stock").

Common Stock

Holders of shares of our Common Stock are entitled to receive dividends and other distributions in cash, stock or property of Frontier as may be declared by our board of directors, or the Board, from time to time at its sole discretion out of our assets or funds legally available for dividends or other distributions. Dividends on our Common Stock are not cumulative.

Our Common Stock is not redeemable, does not have any conversion rights and is not subject to call. Holders of shares of Common Stock have no preemptive rights to maintain their percentage of ownership in future offerings or sales of our stock. Holders of Common Stock are entitled to one vote for each share held of record and may not cumulate votes for the election of directors. Except as otherwise required by Delaware General Corporation Law (the "DGCL") and our Certificate of Incorporation and By-laws, action requiring stockholder approval may be taken by a vote of the holders of a majority of the Common Stock at a meeting at which a quorum is present.

In the event of our voluntary or involuntary liquidation, dissolution or winding up, holders of shares of our Common Stock will be entitled to share in our assets remaining after payment of all debts and other liabilities, subject to the liquidation preference of any outstanding Preferred Stock. Holders of Common Stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of Preferred Stock that we may designate and issue in the future.

The transfer agent and registrar for our Common Stock is the Computershare Trust Company, N.A.

Bankruptcy Proceedings

On April 14, 2020, we and all of our subsidiaries (the "Company Parties") (i) entered into a Restructuring Support Agreement with certain of our noteholders to facilitate the financial restructuring of the existing debt of, existing equity interests in, and certain other obligations of the Company Parties; and (ii) commenced cases under Chapter 11 of title 11 of the United States Code in the U.S. Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court.")

On August 27, 2020, the Bankruptcy Court entered the Order Confirming the *Fifth Amended Joint Plan of Reorganization of Frontier Communications Corporation and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* (the "Plan"), which approved and confirmed the Plan. The effective date of the Plan will occur once all conditions precedent to the Plan have been satisfied (the Effective Date). Pursuant to the Plan, the holders of our equity interests, including the holders of the outstanding shares of our preferred stock and common stock, will be entitled to no recovery.

Preferred Stock Purchase Rights

On July 1, 2019, our Board declared a dividend of one Right, payable on July 11, 2019, for each share of Common Stock outstanding. Each Right entitles the registered holder to purchase from us one one-thousandth of a share of Series B Preferred Stock, par value $0.01 per share, of Frontier (the "Preferred Shares") at a price of $6.25 per one one-thousandth of a Preferred Share represented by a Right, subject to adjustment.

The purpose of the Rights Agreement is to protect value by preserving Frontier's ability to use its Tax Attributes (as such term is defined in the Rights Agreement) to offset potential future income taxes for federal income tax purposes. The Rights Agreement is intended to reduce the likelihood of an ownership change under Section 382 of the Internal Revenue Code by deterring any Person (as such term is defined in the Rights Agreement) or group of affiliated or associated Persons from acquiring beneficial ownership of 4.9% or more of the outstanding Common Shares.

The Rights are in all respects subject to and governed by the provisions of the Rights Agreement. The following description of the Rights Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Rights Agreement.

Distribution Date; Exercisability; Expiration

Initially, the Rights will be attached to all Common Share certificates (or other evidence of book-entry or other uncertificated ownership) and no separate certificates evidencing the Rights ("Right Certificates") will be issued. Until the Distribution Date (as defined below), the Rights will be transferred with and only with the Common Shares. As long as the Rights are attached to the Common Shares, the Company will issue one Right with each new Common Share so that all such Common Shares will have Rights attached (subject to certain limited exceptions).

The Rights will separate and begin trading separately from the Common Shares, and Right Certificates will be caused to evidence the Rights, on the earlier to occur of (i) the Close of Business (as such term is defined in the Rights Agreement) on the tenth day following a public announcement, or the public disclosure of facts indicating (or the Board of Directors becoming aware), that a Person or group of affiliated or associated Persons has acquired Beneficial Ownership of 4.9% or more of the outstanding Common Shares (an "Acquiring Person") (or, in the event that the Board of Directors determines to effect an exchange in accordance with Section 24 of the Rights Agreement and the Board of Directors determines that a later date is advisable, then such later date) and (ii) the Close of Business on the tenth Business Day (as such term is defined in the Rights Agreement) (or such later date as may be

determined by action of the Board of Directors prior to such time as any Person becomes an Acquiring Person) following the commencement of, or the first public announcement of the intention to commence, a tender offer or exchange offer the consummation of which would result in the Beneficial Ownership by a Person or group of 4.9% or more of the outstanding Common Shares (the earlier of such dates, the "Distribution Date"). As soon as practicable after the Distribution Date, unless the Rights are recorded in book-entry or other uncertificated form, the Company will prepare and cause the Right Certificates to be sent to each record holder of Common Shares as of the Distribution Date.

An "Acquiring Person" will not include (i) the Company, (ii) any Subsidiary (as such term is defined in the Rights Agreement) of the Company, (iii) any employee benefit plan of the Company or of any Subsidiary of the Company, (iv) any entity holding Common Shares for or pursuant to the terms of any such employee benefit plan or (v) any Person who or which, together with all Affiliates and Associates (as such terms are defined in the Rights Agreement) of such Person, at the time of the first public announcement of the Rights Agreement, is a Beneficial Owner of 4.9% or more of the Common Shares then outstanding (a "Grandfathered Stockholder"). However, if a Grandfathered Stockholder becomes, after such time, the Beneficial Owner of any additional Common Shares (regardless of whether, thereafter or as a result thereof, there is an increase, decrease or no change in the percentage of Common Shares then outstanding Beneficially Owned (as such term is defined in the Rights Agreement) by such Grandfathered Stockholder) then such Grandfathered Stockholder shall be deemed to be an Acquiring Person unless, upon such acquisition of Beneficial Ownership of additional Common Shares, such person is not the Beneficial Owner of 4.9% or more of the Common Shares then outstanding. In addition, upon the first decrease of a Grandfathered Stockholder's Beneficial Ownership below 4.9%, such Grandfathered Stockholder will no longer be deemed to be a Grandfathered Stockholder. In the event that after the time of the first public announcement of the Rights Agreement, any agreement, arrangement or understanding pursuant to which any Grandfathered Stockholder is deemed to be the Beneficial Owner of Common Shares expires, is settled in whole or in part, terminates or no longer confers any benefit to or imposes any obligation on the Grandfathered Stockholder, any direct or indirect replacement, extension or substitution of such agreement, arrangement or understanding with respect to the same or different Common Shares that confers Beneficial Ownership of Common Shares shall be considered the acquisition of Beneficial Ownership of additional Common Shares by the Grandfathered Stockholder and render such Grandfathered Stockholder an Acquiring Person for purposes of the Rights Agreement unless, upon such acquisition of Beneficial Ownership of additional Common Shares, such person is not the Beneficial Owner of 4.9% or more of the Common Shares then outstanding.

"Beneficial Ownership" is defined in the Rights Agreement to include any securities (i) which a Person or any of such Person's Affiliates or Associates (a) actually owns (directly or indirectly) or would be deemed to actually or constructively own for purposes of Section 382 of the Code or the Treasury Regulations (as such terms are defined in the Rights Agreement) promulgated thereunder, including any coordinated acquisition of securities by any Persons who have a formal or informal understanding with respect to such acquisition (to the extent ownership of such securities would be attributed to such Persons under Section 382 of the Code and the Treasury Regulations promulgated thereunder), (b) beneficially owns, directly or indirectly, within the meaning of Rules 13d-3 or 13d-5 promulgated under the Exchange Act or (c) has the right or ability to vote, or the right to acquire, pursuant to any agreement, arrangement or understanding (except under limited circumstances), (ii) which are directly or indirectly Beneficially Owned by any other Person with which a Person has any agreement, arrangement or understanding for the purpose of acquiring, holding or voting such securities, or obtaining, changing or influencing control of the Company or (iii) in respect of which a Person or any of such Person's Affiliates or Associates has a derivative position which is capable of being settled, in whole or in part, through delivery of cash or Common Shares (whether on a required or optional basis, and whether such settlement may occur immediately or only after the passage of time, the occurrence of conditions, the satisfaction of regulatory requirements or otherwise). In addition, Persons are not deemed to be part of a group that would constitute an Acquiring Person based on participation in discussions, negotiations or transactions with another Person for the purposes of restructuring the Company's debt.

The Rights are not exercisable until the Distribution Date. The Rights will expire on the earliest to occur of (i) the Close of Business on the day following the certification of the voting results of the Company's 2020 annual meeting of stockholders, if at such stockholder meeting a proposal to approve the Rights Agreement has not been passed by the affirmative vote of the majority of the votes cast at the 2020 annual meeting of stockholders or any other meeting of stockholders of the Company duly held prior to July 1, 2020, (ii) the date on which the Board of Directors determines in its sole discretion that (x) the Rights Agreement is no longer necessary for the preservation of material valuable Tax Attributes or (y) the Tax Attributes have been fully utilized and may no longer be carried forward and (iii) the Close of Business on July 1, 2022 (the "Final Expiration Date").

Exempt Persons and Transactions

The Board of Directors may, in its sole and absolute discretion, determine that a Person is exempt from the Rights Agreement (an "Exempt Person"), so long as such determination is made prior to such time as such Person becomes an Acquiring Person. Any Person will cease to be an Exempt Person if the Board of Directors makes a contrary determination with respect to such Person regardless of the reason therefor. In addition, the Board of Directors may, in its sole and absolute discretion, exempt any transaction from triggering the Rights Agreement, so long as the determination in respect of such exemption is made prior to such time as any Person becomes an Acquiring Person. Any Person, together with all Affiliates and Associates of such Person, who proposes to acquire 4.9% or more of the outstanding Common Shares may apply to the Board of Directors in advance for an exemption in accordance with and pursuant to the terms of the Rights Agreement.

Flip-in Event

If a Person or group becomes an Acquiring Person at any time after the date of the Rights Agreement (with certain limited exceptions), the Rights will become exercisable for Common Shares having a value equal to two times the exercise price of the Right. From and after the announcement that any Person has become an Acquiring Person, if the Rights evidenced by a Right Certificate are or were acquired or Beneficially Owned by an Acquiring Person or any Associate or Affiliate of an Acquiring Person, such Rights shall become void, and any holder of such Rights shall thereafter have no right to exercise such Rights. If the Board of Directors so elects, the Company may deliver upon payment of the exercise price of a Right an amount of cash, securities or other property equivalent in value to the Common Shares issuable upon exercise of a Right.

Exchange

At any time after any Person becomes an Acquiring Person, the Board of Directors may exchange the Rights (other than Rights owned by any Person which have become void), in whole or in part, at an exchange ratio of two Common Shares per Right (subject to adjustment). The Company may issue, transfer or deposit such Common Shares (or other property as permitted under the Rights Agreement) to or into a trust or other entity created upon such terms as the Board of Directors may determine and may direct that all holders of Rights receive such Common Shares or other property only from the trust. In the event the Board of Directors determines, before the Distribution Date, to effect an exchange, the Board of Directors may delay the occurrence of the Distribution Date to such time as it deems advisable.

Flip-over Event

If, at any time after a Person becomes an Acquiring Person, (i) the Company consolidates with, or merges with, any other Person (or any Person consolidates with, or merges with, the Company) and, in connection with such consolidation or merger, all or part of the Common Shares are or will be changed into or exchanged for stock or other securities of any other Person or cash or any other property or (ii)

50% or more of the Company's consolidated assets or Earning Power (as defined in the Rights Agreement) is sold, then proper provision will be made so that each holder of a Right will thereafter have the right to receive, upon the exercise thereof at the then current exercise price of the Right, that number of shares of common stock of the acquiring company which at the time of such transaction will have a market value of two times the exercise price of the Right.

Redemption

At any time prior to the earlier to occur of (i) the Close of Business on the tenth day following the Stock Acquisition Date (as defined in the Rights Agreement) (or, if the tenth day following the Stock Acquisition Date occurs before the Record Date, the Close of Business on the Record Date) and (ii) the Final Expiration Date, the Board of Directors may redeem the Rights in whole, but not in part, at a price of $0.001 per Right (the "Redemption Price"). The redemption of the Rights may be made effective at such time, on such basis and with such conditions as the Board of Directors in its sole discretion may establish. Immediately upon any redemption of the Rights, the right to exercise the Rights will terminate and the only right of the holders of Rights will be to receive the Redemption Price.

Amendment

The terms of the Rights may be amended by the Board of Directors without the consent of the holders of the Rights, except that from and after such time as any Person becomes an Acquiring Person no such amendment may adversely affect the interests of the holders of the Rights (other than the Acquiring Person and its Affiliates and Associates).

Preferred Stock Rights

Each one thousandth of a Preferred Share will entitled the holder thereof to the same dividends and liquidation rights as if the holder held one Common Share and will be treated the same as a Common Share in the event of a merger, consolidation or other share exchange.

Rights of Holders

Until a Right is exercised, the holder thereof, as such, will have no rights as a stockholder of the Company, including, without limitation, the right to vote or to receive dividends.

Certain Anti-Takeover Effects of Delaware Law and Frontier's Certificate of Incorporation, By-laws

Certain provisions of the DGCL and our Certificate of Incorporation and By-laws could delay or discourage some transactions involving an actual or potential change in control of us or our management and may limit the ability of our stockholders to remove current management or approve transactions that our stockholders may deem to be in their best interests. These provisions:

- authorize the Board to establish one or more series of Preferred Stock, the terms of which can be determined by the Board at the time of issuance;
- provide an advanced written notice procedure with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of the Board or a committee of the Board;

- state that special meetings of our stockholders may be called by the Chairman of the Board or the Chief Executive Officer and must be called on the request in writing or by vote of a majority of the Board or on request in writing of stockholders of record owning 50% of the capital stock outstanding and entitled to vote;
- allow our directors, and not our stockholders, to fill vacancies on the Board, including vacancies resulting from removal or enlargement of the Board; and
- grant the Board the authority to amend and repeal the By-laws without a stockholder vote; provided, however, that such authority of the Board is subject to the power of the stockholders to change or repeal any By-laws by a majority vote of the stockholders present and represented at any annual meeting or at any special meeting called for such purpose.

Frontier is subject to Section 203 of the DGCL. Subject to specific exceptions, Section 203 prohibits a publicly held Delaware corporation from engaging in a “business combination” with an “interested stockholder” for a period of three years after the time the person became an interested stockholder unless (a) the interested stockholder attained such status with the approval of the corporation’s board of directors, (b) upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, exclusive of shares owned by directors who are also officers and by certain employee stock plans or (c) at or subsequent to such time, the business combination is approved by the board of directors and authorized by the affirmative vote at a stockholders’ meeting, and not by written consent, of at least 66-2/3% of the outstanding voting stock which is not owned by the interested stockholder. A “business combination” includes, among other things, a merger or consolidation involving the corporation and the “interested stockholder” and the sale of more than 10% of the corporation’s assets. In general, an “interested stockholder” is any entity or person beneficially owning 15% or more of the corporation’s outstanding voting stock, and any entity or person affiliated with or controlling or controlled by such entity or person.

These restrictions could prohibit or delay the mergers or other takeover or change in control attempts with respect to Frontier and, therefore, may discourage attempts to acquire Frontier.

Exhibit 10.5

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "Agreement") is entered into as of December 7, 2020 (the "Agreement Date"), by and between Frontier Communications Corporation, a Delaware corporation (the "Company"), and Nick Jeffery (the "Executive"). Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in Section 23.

WHEREAS, the Company and the Executive desire to enter into this Agreement to set forth the terms and conditions for the Executive's employment with the Company as President and Chief Executive Officer of the Company.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Term**.

(a) The Company agrees to employ the Executive pursuant to the terms of this Agreement, and the Executive agrees to be so employed, commencing as of the date on which Executive commences employment with the Company (the "Start Date"), which will be mutually agreed by the Company and the Executive, but shall in no event be later than the 120th day following the Agreement Date (except as may otherwise be agreed to by the Company in writing), (it being understood that, if necessary for visa/permit/approval or COVID-related reasons, the Company will permit the Executive to commence employment prior to his permanent relocation), and ending when the Executive's employment hereunder terminates in accordance with Section 5. The period of time between the Start Date and the termination of the Executive's employment hereunder is referred to herein as the "Term." Upon any termination of the Executive's employment with the Company, the Executive shall be deemed to have resigned from all positions with the Company and all of its subsidiaries, unless otherwise agreed to by the parties in writing.

(b) Following the Agreement Date, the Executive shall take (or make all commercially reasonable efforts to take) all necessary steps to commence employment with the Company and relocate to the United States (but with due regard for COVID-related travel restrictions imposed by any applicable governmental agency), including all necessary steps within the Executive's control to obtain all permits/visas/approvals that are required for Executive to live and work in the United States in accordance with U.S. immigration laws (including cooperating with the Company to obtain such permits/visas/approvals), in each case, as soon as reasonably practicable following the Agreement Date. The Executive's failure to take such steps (or, as applicable, failing to make commercially reasonable efforts to take such steps) shall be deemed to be a material breach of this Agreement by the Executive; provided that the Company has cooperated in good faith with the Executive to obtain all necessary permits/visas/approvals (to the extent such permits/visas/approvals require such cooperation).

(c) Notwithstanding anything herein to the contrary, but subject to the terms and conditions set forth in Section 1(a) above, if the Executive fails to commence employment with the Company on or before the 120th day following the Agreement Date (or such later date as

may be agreed to by the Company in writing), then this Agreement shall be void *ab initio* and the Company shall have no obligation to the Executive hereunder.

2. **Position and Duties.**

(a) During the Term, the Executive shall serve as President and Chief Executive Officer of the Company. The Executive shall report to the full Board of Directors (the "Board") and to John Stratton, the Company's Executive Chairman, in the latter case, for so long as he is serving in such capacity or a similar capacity (the "Executive Chairman"). In his capacity as President and Chief Executive Officer, the Executive shall have the duties, authorities and responsibilities set forth on Exhibit A, and such other duties, authorities and responsibilities as are commensurate with the duties, authorities and responsibilities of persons serving in a similar capacity in similarly sized companies with comparable executive leadership structures (i.e., are led by both a chief executive officer and an executive chair) or that the Board and/or the Executive Chairman may designate from time to time that are consistent with the Executive's position. For the avoidance of doubt, nothing herein shall limit the Executive's authority or discretion to act in accordance with his fiduciary duties or any other legal, regulatory or stock-exchange requirements applicable to any person serving in the role of president, chief executive officer or principal executive officer.

(b) The Executive shall devote substantially all of the Executive's business time and efforts to the performance of the Executive's duties hereunder and the advancement of the business and affairs of the Company. In connection with the foregoing, the Executive will resign from all other boards of directors on which he serves as of the Start Date; provided that the Executive shall be entitled to: (i) continue to serve on the board of directors of Dialog Semiconductor PLC, except that Executive hereby agrees to resign from such position in the event that such service in any way results in a conflict of interest with respect to his role with the Company or materially interferes with the performance of the Executive's duties and responsibilities hereunder, and (ii) serve on civic, charitable, educational, religious, public interest or public service boards and manage the Executive's personal and family investments to the extent such activities do not materially interfere, individually or in the aggregate, with the performance of the Executive's duties and responsibilities hereunder. For the avoidance of doubt, during his employment, the Executive shall not be permitted to serve on any for-profit boards of directors (other than those specified in the preceding subsection (i)) without the prior written consent of the Board.

(c) The Executive shall be nominated as a member of the Board, and the Company shall continue to nominate the Executive for re-election as a member of the Board at all times during the Term; provided that the foregoing shall not be required to the extent prohibited by legal or regulatory requirements.

3. **Compensation and Benefits following the Start Date.**

(a) Base Salary. During the Term, the Company shall pay to the Executive a base salary at an annual rate of not less than $1,300,000, in substantially equal installments in accordance with the regular payroll practices of the Company, but not less frequently than bi-monthly. The Executive's base salary shall be subject to annual review by the Board or the

Compensation Committee of the Board (the "Committee"), and may be increased, but not decreased, from time to time by the Board or the Committee. The base salary as determined herein and increased (if applicable) from time to time shall constitute "Base Salary" for purposes of this Agreement.

(b) Annual Bonus. With respect to each calendar year during the Term, the Executive will be eligible to earn a bonus with a target annual bonus opportunity equal to 200% of Base Salary ("Target Annual Bonus") (with a maximum annual bonus opportunity equal to 250% of Base Salary) with the amount earned to be based on achievement of the financial or individual performance goals and factors as determined by the Board or the Committee, after consultation with the Executive, that are generally consistent with the program for other senior executives of the Company (the "Annual Bonus"). The Board or the Committee will establish a threshold Annual Bonus opportunity equal to a percentage of the Executive's Base Salary (which will correspond to the "threshold" performance level established for the applicable year), which opportunity will be generally consistent with the threshold Annual Bonus opportunity established for other senior executives of the Company for the applicable year. Notwithstanding the foregoing, any Annual Bonus with respect to the calendar year in which the Start Date occurs will be pro-rated to reflect the number of days remaining in such calendar year following the Start Date; *provided* that if the Executive commences employment with the Company prior to March 31, 2021 no such pro-ration shall apply with respect to any 2021 Annual Bonus. Any Annual Bonus shall be payable at the same time or time(s) that annual bonuses are paid to senior executives of the Company generally, but in no event later than March 15th of the calendar year following the calendar year to which such Annual Bonus relates.

(c) Sign-On Bonus. Promptly (and in any event within ten days) following the Start Date (or, if later, within ten days following the date on which the Executive permanently relocates to the United States following the Start Date, provided that in all events (but subject to the occurrence of the Start Date), the payment will be made by the end of 2021), the Company shall pay the Executive a cash sign-on bonus of $3,750,000 (the "Sign-On Bonus"). If the Executive's employment with the Company is terminated prior to the first anniversary of the Start Date by the Company for Cause or by the Executive without Good Reason, then the Executive shall promptly (and in any event, within 20 business days following such termination) repay the After-Tax Value to the Company. For the avoidance of doubt, if the Executive's employment with the Company is terminated for any other reason, the Executive shall not be obligated to repay any portion of the Sign-on Bonus.

(d) Long-Term Incentive Compensation.

(i) During the Term, the Executive will be a participant in the reorganized Company's post-emergence management incentive plan (the "MIP"), and will receive an annual long-term award having a target value equal to not less than $5 million (each, an "Equity Grant"). The Equity Grant to be made in respect of the Executive's first year of employment with the Company is referred to herein as the "Initial Equity Grant". The number of RSUs and PSUs granted to the Executive will be determined by dividing the target value of the Equity Grant by the fair market value (as determined by the post-emergence Board of Directors reasonably and in good faith, taking into account the public trading price of shares, if applicable) of an underlying share of common stock on the date

of grant (and assuming for this purpose that PSUs will be earned at 100% of "target" value). With respect to any annual Equity Grant made during the first three years of the Term, 2/3rd of such Equity Grant will be performance-based (the "PSUs") and 1/3rd of such Equity Grant will be time-based (the "RSUs"). With respect to any PSUs granted during the first three years of the Term, such PSUs will have a three-year performance period and will be structured such that the Executive will be eligible to earn 100% of the target value upon "target" level achievement of the applicable performance goals, 200% of the target value upon "maximum" level achievement of the applicable performance goals, and 300% of the target value at "stretch maximum" level achievement of the applicable performance goals. The Company has previously provided to the Executive an illustrative model of various payout levels under the MIP based on the assumptions set forth therein. The performance goals will be determined by the post-emergence Board of Directors, after consultation with the Executive, and will be generally consistent with the goals established for other senior executives of the reorganized Company who receive similar awards under the MIP. RSUs granted during the first three years of the Term will vest in equal annual installments over a three-year period beginning on the Start Date (for the initial RSU grant) and each applicable anniversary thereof (for subsequent RSU grants made during the first three years of the Term), in each case, subject to the other terms and conditions set forth in the MIP and the applicable award agreement. The PSUs will be eligible to vest based on performance over a three-year period, subject to the other terms and conditions set forth in the MIP and the applicable award agreement.

(ii) The following terms will apply with respect to the Equity Grants and any other long-term incentive awards granted to the Executive from time to time:

(1) in the event of a Change in Control, the MIP and/or the applicable award agreement(s) governing the Executive's Equity Grants will provide for treatment upon such Change in Control that is consistent with prevailing market practices as determined by the post-emergence Board or post-emergence Committee reasonably and in good faith following consultation with the Executive.

(2) if the Executive becomes subject to any stock ownership guidelines implemented by the Company, such ownership guidelines will provide for no less than five years following the Start Date for Executive to reach compliance with such guidelines (without penalty or interim obligations prior to such compliance deadline).

(3) the Executive may elect to satisfy his applicable tax liability with respect to equity-based awards under the MIP (calculated at up to the statutory maximum rate, if so elected by the Executive) through net settlement (taking into account any liquidity concerns raised by the Company's board of directors at the time of settlement) or pursuant to a broker- assisted "sell-to-cover" transaction that is either outside of an applicable blackout window under the Company's insider trading policy (if applicable) or pursuant to a pre- approved 10b5-1 trading plan).

(e) Benefit Plans. During the Term, the Executive shall be entitled to participate in any employee benefit plans and programs that the Company has adopted or may adopt, maintain or contribute to for the benefit of its senior executives (or employees generally, if

senior executives are eligible to participate in such plan). The Executive's participation will be subject to the terms of the applicable plan documents and generally applicable Company policies. Notwithstanding the foregoing, the Company may modify or terminate any employee benefit plan at any time.

(f) Paid Time Off. During the Term, the Executive shall be entitled to four weeks of paid time off per calendar year (prorated for any partial years of employment), in accordance with the Company's policy on accrual and use as in effect from time to time. Paid time off may be taken at such times and intervals as the Executive reasonably determines, subject to the Company's business needs.

(g) Business Expenses. During the Term, the Executive will be authorized to incur reasonable business expenses in carrying out the Executive's duties and responsibilities to the Company. The Executive shall be promptly reimbursed for all reasonable out-of-pocket business expenses incurred and paid by the Executive during the Term, subject to and in accordance with the Company's expense reimbursement policy as in effect from time to time. In connection with the Executive's relocation to the U.S., the Company will provide the Executive with an allowance for temporary housing and relocation, in an aggregate amount not to exceed $100,000, with any reimbursement for such amounts to be made in accordance with the Company's expense reimbursement policy in effect from time to time and made available to the Executive.

(h) Legal fees. The Company will cover any attorneys' fees incurred by Executive in connection with the negotiation and preparation of this Agreement and any related agreements, in an amount not to exceed $50,000, payable within fifteen (15) days of the Executive submitting reasonable documentation of such fees.

4. Termination of Agreement Prior to the Start Date. Following the execution of this Agreement, if the Company fails to appoint the Executive to President and Chief Executive Officer or the Company otherwise fails to start Executive's employment with the Company (in each case, other than as a result of Executive's repudiation of this Agreement, his death or Disability, or as a result of Executive engaging in any activity that constitutes Cause (as defined herein)) (the date any such failure becomes final as determined by the Board in good faith being the deemed "Termination Date" for purposes of this Agreement), then the Company will pay to the Executive, in full satisfaction of any other payments and benefits contemplated under this Agreement, (i) reimbursement for any unreimbursed business expenses incurred by the Executive at the request of the Company or as otherwise mutually agreed with the Company, payable in accordance with Section 3(g), and (ii) subject to Section 5(g), an amount equal to $7,800,000 (the amount set forth in subsection (ii), the "Company Breach Payment"). The Company Breach Payment will be paid in accordance with the payment schedule set forth in Section 5(d)(ii), except for purposes therein, references to the "Termination Date" shall be deemed to refer to the deemed "Termination Date" described above. The Company's obligation to pay the Company Breach Payment under this Section 4 is contingent upon (i) subject to the terms and conditions in Section 1(a) above, the Executive being able to commence employment with the Company on or before the 120th day following the Agreement Date (or such later date as may be agreed to by the Company in writing), and (ii) the Executive taking (or making all commercially reasonable efforts to take) all necessary steps to commence employment with the Company and relocate to the United States (but with due regard for COVID-related travel

restrictions imposed by any applicable governmental agency), including all necessary steps within the Executive's control to obtain all permits/visas/approvals that are required for Executive to live and work in the United States in accordance with U.S. immigration laws (including cooperating with the Company to obtain such permits/visas/approvals), in each case, as soon as reasonably practicable following the Agreement Date prior to the deemed "Termination Date". The Executive's failure to take such steps (or, as applicable, failing to make commercially reasonable efforts to take such steps prior to the deemed "Termination Date") will be deemed to be a repudiation by the Executive for purposes of this Section 4.

5. Termination of Employment; Severance following Start Date.

(a) General. The Executive's employment and the Term shall terminate upon the earliest to occur of (i) the Executive's death, (ii) a termination by the Company due to the Executive's Disability, (iii) a termination by the Company with or without Cause, and (iv) a termination by the Executive with or without Good Reason (the date of such termination, the "Termination Date").

(b) Termination Due to the Executive's Death or Disability. The Executive's employment and the Term shall terminate automatically upon the Executive's death. The Company may terminate the Executive's employment and the Term immediately upon the occurrence of the Executive's Disability, with such termination to be effective upon the Executive's receipt of written notice of such termination. Upon a termination of the Executive's employment and the Term due to the Executive's death or Disability, in each case during the Term, the Executive's estate or the Executive, as applicable, shall be entitled to the following:

(i) payment of any earned but unpaid Base Salary and any accrued but unused paid time off (if any), in each case, through the Termination Date, to be paid no later than 60 days following the Termination Date (or such earlier date as may be required by applicable law);

(ii) reimbursement for any unreimbursed business expenses incurred through the Termination Date, in accordance with Section 3(g);

(iii) all other payments, benefits or fringe benefits to which the Executive shall be entitled under the terms of any applicable compensation arrangement or benefit, equity or fringe benefit plan or program or grant or this Agreement, payable in accordance therewith;

(iv) any accrued but unpaid Annual Bonus due with respect to any calendar year preceding the calendar year in which the Termination Date occurs, which amount shall be paid in accordance with Section 3(b), to be paid by the deadline set forth in the last sentence of Section 3(b) (collectively, clauses (i) through (iv), the "Accrued Benefits");

(v) the Sign-On Bonus (if not previously paid) (to be paid within 10 days following the Termination Date); and

(vi) a pro rata portion of any Annual Bonus payable in respect of the calendar year in which the Termination Date occurs, determined by multiplying (A) the

actual amount of such Annual Bonus that the Executive would have received had the Executive's employment not so terminated (disregarding any individual performance factors and proportionately increasing the weighting of any Company performance metrics, if applicable), by (B) a fraction, the numerator of which is the number of days during the applicable calendar year that the Executive was employed with the Company, and the denominator of which is the total number of calendar days during the applicable calendar year, which pro rata portion shall be paid at the time annual bonuses are paid to senior executives of the Company generally for such calendar year, as set forth in Section 3(b) (the "Pro Rata Annual Bonus").

Following a termination of the Executive's employment due to death or Disability, except as set forth in this Section 5(b), the Executive shall have no further rights to any compensation or any other benefits under this Agreement.

(c) Termination by the Company for Cause. The Company may terminate the Executive's employment at any time for Cause, effective upon delivery to the Executive of written notice of such termination. If the Executive's employment is terminated by the Company for Cause, the Executive shall be entitled only to the Accrued Benefits (but excluding any amount provided for under Section 5(b)(iv)). Following the termination of the Executive's employment by the Company for Cause, except as set forth in this Section 5(c), the Executive shall have no further rights to any compensation or any other benefits under this Agreement.

(d) Termination by the Company without Cause; Termination by the Executive for Good Reason. The Company may terminate the Executive's employment without Cause with 30 days' prior written notice, effective upon the date specified in such notice. The Executive may terminate the Executive's employment for Good Reason by providing the Company written notice in the manner set forth below. In the event that during the Term the Executive's employment is terminated by the Company without Cause (other than due to the Executive's death or Disability), or by the Executive for Good Reason (each, a "Qualifying Termination"), in each case, following the Start Date, and, in each case, subject to Section 5(g) (other than with respect to any Accrued Benefits, which are not subject to Section 5(g)), the Executive shall be entitled to:

(i) the Accrued Benefits and, to the extent not previously paid, the Sign-On Bonus (to be paid within 10 days following the Termination Date);

(ii) an amount in cash equal to two-times the sum of (i) the Executive's Base Salary (without giving effect to any reduction or series of reductions giving rise to Good Reason) plus (ii) Target Annual Bonus (without giving effect to any reduction or series of reductions giving rise to Good Reason), payable in substantially equal monthly installments over the 24-month period following the Termination Date; provided, however, that the first such payment shall not be made until the first payroll date following the date on which the Release (as defined below) becomes non-revocable pursuant to Section 5(g) and such first payment shall include any amounts that would otherwise have been payable between the Termination Date and the date of such first payment; and provided, further, that if the period that the Executive has to consider and revoke the Release pursuant to Section 5(g) commences in one calendar year and ends in a subsequent calendar year, then the first such payment shall not be made until the second calendar year;

(iii) the Pro Rata Annual Bonus;

(iv) unless a more favorable treatment is provided for by the post-emergence Board of Directors, (x) all RSUs and other time-based long-term incentive awards that would have become vested in the ordinary course had the Executive remained employed by the Company for 12 months after the Termination Date shall become fully vested as of the date on which the Release (as defined below) becomes effective, with the shares, cash or other property that become so vested to be delivered not later than sixty (60) days after the applicable Termination Date and (y) all PSUs and other performance-based long-term incentive awards shall remain outstanding for 12 months after the Termination Date and shall vest if they would have vested during that period had the Executive remained employed by the Company as of the applicable vesting date, which shares, cash or other property underlying the portion that becomes so vested to be delivered not later than sixty (60) days after the applicable vesting date (collectively, the treatment described in this Section 5(d)(iv), the "Equity Extension"); and

(v) subject to the Executive's (A) timely election of continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), and (B) continued copayment of premiums at the same level and cost to the Executive as if the Executive were an employee of the Company (excluding, for purposes of calculating cost, an employee's ability to pay premiums with pre-tax dollars), continued participation in the Company's group health plan (to the extent permitted under applicable law) that covers the Executive (and the Executive's eligible dependents) for a period of 18 months following the Termination Date at the Company's expense; provided that the Executive is eligible and remains eligible for COBRA coverage; provided, further, that the Company may modify the continuation coverage contemplated by this Section 5(d)(v) to the extent reasonably necessary to avoid the imposition of any excise taxes on the Company for failure to comply with the nondiscrimination requirements of the Patient Protection and Affordable Care Act of 2010, as amended, and/or the Health Care and Education Reconciliation Act of 2010, as amended (to the extent applicable), provided that (if doing so would not result in such an excise tax), the Executive will be provided with a lump sum cash benefit on the same payment schedule should such benefit be reduced as a result of this proviso; and provided, further, that if the Executive obtains other employment that offers substantially comparable group health benefits, such continuation of coverage by the Company under this Section 5(d)(v) shall immediately cease (the payments described in clauses (ii) through (v), collectively, the "Severance Benefits").

Payments and benefits provided in this Section 5(d) shall be in lieu of any termination or severance payments or benefits for which the Executive may be eligible under any of the plans, policies or programs of the Company or under the Worker Adjustment Retraining Notification Act of 1988 or any similar state statute or regulation. Following the termination of the Executive's employment by the Company without Cause or by the Executive for Good Reason, except as set forth in this Section 5(d), the Executive shall have no further rights to any compensation or any other benefits under this Agreement. For the avoidance of doubt, if the Executive's employment terminates pursuant to this Section 5(d), the Executive will not be entitled to receive the Company Breach Payment.

(e) Termination by the Company without Cause; Termination by the Executive for Good Reason during the CIC Protection Period. The Company may terminate the Executive's employment without Cause with 30 days' prior written notice, effective upon the date specified in such notice. The Executive may terminate the Executive's employment for Good Reason by providing the Company written notice in the manner set forth below. In the event that during the Term the Executive's employment is terminated by the Company without Cause (other than due to the Executive's death or Disability), by the Executive for Good Reason, in each such case, during the CIC Protection Period (as defined below) (each, a "CIC Qualifying Termination"), and, in each case, subject to Section 5(g) (other than with respect to any Accrued Benefits, which are not subject to Section 5(g)), after applying Section 3(d)(ii)(1) to the extent applicable, the Executive shall be entitled to all payments and benefits to which he would otherwise be entitled under Section 5(d) above at the time specified in Section 5(d) above, except that (i) if the CIC Qualifying Termination occurs within 24 months after a Change in Control that is a "change in control event" as defined in Section 409A of the Internal Revenue Code, the amounts described in Section 5(d)(ii) shall be payable in a lump sum within 60 days following the Termination Date and (ii) to the extent it would result in payments or benefits in excess of those provided as a result of the Equity Extension, such termination will be deemed to have occurred within 24 months following the applicable Change in Control for purposes of vesting the Executive's equity-based awards that were outstanding as of the date of the CIC Qualifying Termination.

The "CIC Protection Period" means the period beginning six months prior to a Change in Control and ending 24 months after a Change in Control.

Payments and benefits provided in this Section 5(e) (including by reference to Section 5(d)) shall be in lieu of any termination or severance payments or benefits for which the Executive may be eligible under any of the plans, policies or programs of the Company or under the Worker Adjustment Retraining Notification Act of 1988 or any similar state statute or regulation. Following the termination of the Executive's employment by the Company without Cause (other than death or Disability) or by the Executive for Good Reason, in each case, during the CIC Protection Period, except as set forth in this Section 5(e) (and after applying Section 3(d)(ii)(1)), the Executive will not be entitled to any other compensation and benefits. For the avoidance of doubt, if the Executive's employment terminates pursuant to this Section 5(e), the Executive will not be entitled to receive the Company Breach Payment and there will be no duplication of benefits with respect to amounts set forth in Section 5(d).

(f) Termination by the Executive without Good Reason; The Executive may terminate the Executive's employment without Good Reason by providing 30 days' prior written notice to the Company. The Company may, in its sole discretion, make the Termination Date effective earlier than specified in any notice date, so long as, during any waived portion of the notice period, the Company continues to (i) pay to the Executive the Base Salary and (ii) provide to the Executive the existing benefits in accordance with the terms of the applicable plans. Upon the Executive's voluntary termination of employment pursuant to this Section 5(f), the Executive shall be entitled only to the Accrued Benefits. Following any such termination of the Executive's employment, except as set forth in this Section 5(f), the Executive shall have no further rights to any compensation or any other benefits under this Agreement.

(g) Release of Claims; Continued Compliance. Notwithstanding any provision herein to the contrary, the payment and provision of the Severance Benefits pursuant to Section 5(d) or (e), or the Company Breach Payment pursuant to Section 4 (in each case, other than the Accrued Benefits) shall be conditioned upon the Executive's execution, delivery to the Company, and non-revocation of a general release of claims in the form attached as Exhibit B (other than any changes thereto attributable to changes in applicable law) (the "Release") (and the expiration of any revocation period contained in such Release) within 52 days following the termination date. If the Executive fails to execute the Release in such a timely manner so as to permit any revocation period to expire prior to the end of such 52-day period, or timely revokes the Executive's such release following its execution, the Executive shall not be entitled to any of the Severance Benefits or the Company Breach Payment, as applicable. During such time that the Executive is receiving Severance Benefits pursuant to Section 5(d) or (e) or has received the Company Breach Payment pursuant to Section 4, if the Executive materially breaches any restrictive covenant set forth in Section 6 (and such breach is not cured, to the extent susceptible of cure (as determined in the Board's good faith discretion), within 30 days following the Company's written notice thereof to the Executive), the Executive's right to receive or retain the Severance Benefits or the Company Breach Payment shall immediately cease and be forfeited.

(h) No Offset. In the event of termination of the Executive's employment, the Executive shall be under no obligation to seek other employment, and there shall be no offset against amounts due to the Executive on account of any remuneration or benefits provided by any subsequent employment the Executive may obtain. The Company's obligation to make any payment pursuant to, and otherwise to perform its obligations under, this Agreement shall not be affected by any offset, counterclaim or other right that the Company or any other member of the Company Group may have against the Executive for any reason.

6. Restrictive Covenants. The Company and the Executive acknowledge and agree that during the Executive's employment/service with the Company, the Executive will have access to and may assist in developing Confidential Information and will occupy a position of trust and confidence with respect to the affairs and business of the Company Group. The Executive further acknowledges that (i) the Executive will perform services of a unique nature for the Company that are irreplaceable, and that the Executive's performance of such services to a competing business will result in irreparable harm to the Company Group; (ii) the Executive will have access to Confidential Information that, if disclosed, would unfairly and inappropriately assist in competition against the Company Group; (iii) in the course of the Executive's employment by, or other service with, a competitor, the Executive could use or disclose such Confidential Information; (iv) members of the Company Group have substantial relationships with their customers, and the Executive will have access to these customers; (v) the Executive will receive specialized training from the Company and other members of the Company Group; and (vi) the Executive will generate goodwill for the Company and other members of the Company Group in the course of the Executive's employment/service. Accordingly, the Executive agrees that the following obligations are necessary to preserve the confidential and proprietary nature of Confidential Information and to protect the Company Group against harmful solicitation of employees and customers, harmful competition and other actions by the Executive that would result in serious adverse consequences for the Company Group:

(a) Confidentiality. At all times during the Executive's service with the Company and thereafter, the Executive will not, directly or indirectly, use, make available, sell, copy, disseminate, transfer, communicate or otherwise disclose any Confidential Information, other than as authorized in writing by the Company or within the scope of the Executive's duties with the Company as determined reasonably and in good faith by the Executive. Anything herein to the contrary notwithstanding, the provisions of this Section 6(a) shall not apply to information that (i) was known to the public prior to its disclosure to the Executive; (ii) becomes generally known to the public subsequent to disclosure to the Executive through no wrongful act of the Executive or any representative of the Executive; or (iii) the Executive is required to disclose by applicable law, regulation or legal process (provided that the Executive provides the Company with prior notice of the contemplated disclosure and cooperates with the Company at its expense in seeking a protective order or other appropriate protection of such information).

(b) Materials. The Executive will use Confidential Information only for normal and customary use in the Company's business, as determined reasonably and in good faith by the Company. The Executive will return to the Company all Confidential Information and copies thereof and all other property of the Company or any other member of the Company Group at any time promptly following the request of the Company. The Executive agrees to identify and return to the Company (or destroy) any copies of any Confidential Information after the Executive ceases to be employed by the Company. Anything to the contrary notwithstanding, nothing in this Section 6 shall prevent the Executive from retaining a laptop (provided all Confidential Information has been removed), papers and other materials of a personal nature, including diaries, calendars and contact lists, information relating to the Executive's compensation or relating to reimbursement of expenses, information that may be needed for tax purposes, and copies of plans, programs and agreements relating to the Executive's employment.

(c) Noncompetition; Nonsolicitation.

(i) During the Restricted Period, the Executive shall not, directly or indirectly, associate (including, but not limited to, association as a sole proprietor, owner, employer, partner, principal, investor, joint venturer, shareholder, associate, employee, member, consultant, contractor, director or otherwise) with any Competitive Enterprise; provided, however, that the Executive may (A) own, as a passive investor, securities of any such entity that has outstanding publicly traded securities, so long as the Executive's direct or indirect holdings in any such entity shall not in the aggregate constitute more than 2% of the voting power of such entity, and (B) provide services to a portfolio company of a financial sponsor that does not constitute a Competitive Enterprise, irrespective of whether such financial sponsor owns other portfolio companies that do constitute Competitive Enterprises, so long as the Executive does not engage in or assist in the activities of any such portfolio company that is a Competitive Enterprise. The Executive acknowledges that this covenant has a unique, very substantial and immeasurable value to the Company Group, that the Executive has sufficient assets and skills to provide a livelihood for the Executive while such covenant remains in force, and that, as a result of the foregoing, in the event that the Executive breaches such covenant, monetary damages would be an insufficient remedy for the Company and equitable enforcement of the covenant would be proper. Notwithstanding anything herein to the contrary, in the event

that the Executive becomes entitled to the Company Breach Payment under Section 4 of this Agreement, the restrictions set forth in this Section 6(c)(i) shall not apply.

(ii) During the Restricted Period, the Executive shall not solicit, entice, persuade or induce any individual who is employed or engaged by any member of the Company Group (or who was so employed or engaged within 12 months immediately preceding the Termination Date) to terminate or refrain from continuing such employment or engagement or to become employed by or enter into contractual relations with any other individual or entity other than a member of the Company Group, and the Executive shall not hire, directly or indirectly, on the Executive's behalf or on behalf of any other person, as an employee, consultant or otherwise, any such person; provided, however, that the Executive will not be in breach of this Section 6(c)(ii) for (A) general solicitations not targeted at employees engaged with the Company Group and (B) responding to an unsolicited request to serve as a business reference for a former employee of the Company Group to the extent the Executive does not encourage the former employee to become employed by a person or entity that employs the Executive or with which the Executive is otherwise associated.

(d) Mutual Nondisparagement. The Executive agrees not to, at any time, disparage any member of the Company Group or any officer, director, or significant stakeholder of any member of the Company Group, other than in the good faith performance of the Executive's duties to the Company while the Executive is providing services to the Company. Following the Executive's termination of employment, the Company shall not make any public statement disparaging the Executive and shall instruct the members of the Board and officers of the Company as of the Termination Date to refrain from disparaging the Executive. The foregoing shall not be violated by truthful statements in response to legal process, required governmental testimony or filings, or administrative or arbitral proceedings (including, without limitation, depositions in connection with such proceedings).

(e) Inventions.

(i) The Executive acknowledges and agrees that all ideas, methods, inventions, discoveries, improvements, work products, developments, software, know-how, processes, techniques, works of authorship and other work product, whether patentable or unpatentable, (A) that are reduced to practice, created, invented, designed, developed, contributed to or improved with the use of any Company resources and/or within the scope of the Executive's work with the Company, or that relate to the business, operations or actual or demonstrably anticipated research or development of the Company, and that are made or conceived by the Executive, solely or jointly with others, during the Term, or (B) suggested by any work that the Executive performs in connection with the Company, either while performing the Executive's duties with the Company or on the Executive's own time, in any such case, during the Term shall belong exclusively to the Company (or its designee), whether or not patent or other applications for intellectual property protection are filed thereon (the "Inventions"). The Executive will keep full and complete written records (the "Records"), in the manner prescribed by the Company, of all Inventions and will promptly disclose all Inventions completely and in writing to the Company. The Records shall be the sole and exclusive property of the Company, and the

Executive will surrender them promptly following the termination of the Term, or promptly following the Company's earlier written request. The Executive irrevocably conveys, transfers and assigns to the Company the Inventions and all patents or other intellectual property rights that may issue thereon in any and all countries, whether during or subsequent to the Term, together with the right to file, in the Executive's name or in the name of the Company (or its designee), applications for patents and equivalent rights (the "Applications"). The Executive will, at any time during and subsequent to the Term, make such applications, sign such papers, take all rightful oaths and perform all other acts as may be requested from time to time by the Company to perfect, record, enforce, protect, patent or register the Company's rights in the Inventions, all without additional compensation to the Executive from the Company. The Executive will also execute assignments to the Company (or its designee) of the Applications, and give the Company and its attorneys all reasonable assistance (including the giving of testimony) to obtain the Inventions for the Company's benefit, all without additional compensation to the Executive from the Company, but entirely at the Company's expense.

(ii) In addition, the Inventions will be deemed "works made for hire," as such term is defined under the copyright laws of the United States ("Work for Hire"), on behalf of the Company, and the Executive agrees that the Company will be the sole owner of the Inventions, and all underlying rights therein, in all media now known or hereinafter devised, throughout the universe and in perpetuity without any further obligations to the Executive. If the Inventions, or any portion thereof, are deemed not to be Work for Hire, or the rights in such Inventions do not otherwise automatically vest in the Company, the Executive hereby irrevocably conveys, transfers and assigns to the Company all rights, in all media now known or hereinafter devised, throughout the universe and in perpetuity, in and to the Inventions, including, without limitation, all of the Executive's right, title and interest in the copyrights (and all renewals, revivals and extensions thereof) to the Inventions, including, without limitation, all rights of any kind or any nature now or hereafter recognized, including, without limitation, the unrestricted right to make modifications, adaptations and revisions to the Inventions, to exploit and allow others to exploit the Inventions and all rights to sue at law or in equity for any infringement, or other unauthorized use or conduct in derogation of the Inventions, known or unknown, prior to the date hereof, including, without limitation, the right to receive all proceeds and damages therefrom. In addition, the Executive hereby waives any so-called "moral rights" with respect to the Inventions. To the extent that the Executive has any rights in the results and proceeds of the Executive's service to the Company that cannot be assigned in the manner described herein, the Executive agrees to unconditionally waive the enforcement of such rights. The Executive hereby waives any and all currently existing and future monetary rights in and to the Inventions and all patents and other registrations for intellectual property that may issue thereon, including, without limitation, any rights that would otherwise accrue to the Executive's benefit by virtue of the Executive being an employee of or other service provider to the Company.

(iii) 18 U.S.C. § 1833(b) provides: "An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that —(A) is made—(i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of

reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal." Nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. § 1833(b). Accordingly, the parties to this Agreement have the right to disclose in confidence trade secrets to federal, state and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law. The parties also have the right to disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure.

(f) Conflicting Obligations and Rights. The Executive agrees to inform the Company of any apparent conflicts between the Executive's work for the Company and any obligations the Executive may have to preserve the confidentiality of another's proprietary information or related materials before using the same on the Company's behalf. The Company shall receive such disclosures in confidence and consistent with the objectives of avoiding any conflict of obligations and rights or the appearance of any conflict of interest. Prior to the Start Date, the Executive shall confirm in writing that he is no longer subject to any contractual or other obligations relating to his previous employment that would prevent, limit or impair his ability to commence employment with the Company.

(g) Reasonableness of Restrictive Covenants. In signing this Agreement, the Executive gives the Company assurance that the Executive has carefully read and considered all of the terms and conditions of this Agreement, including the restraints imposed under this Section 6. The Executive agrees that these restraints are necessary for the reasonable and proper protection of the Company and the other members of the Company Group and their Confidential Information, and that each and every one of the restraints is reasonable in respect to subject matter, length of time and geographic area, and that these restraints, individually or in the aggregate, will not prevent the Executive from obtaining other suitable employment during the period in which the Executive is bound by the restraints. The Executive acknowledges that each of these covenants has a unique, very substantial and immeasurable value to the Company and the other members of the Company Group, and that the Executive has sufficient assets and skills to provide a livelihood while such covenants remain in force. The Executive further covenants that the Executive will not challenge the reasonableness or enforceability of any of the covenants set forth in this Section 6. It is also agreed that each member of the Company Group will have the right to enforce all of the Executive's obligations to any other member of the Company Group under this Agreement, including without limitation pursuant to this Section 6.

(h) Reformation. If it is determined by a court of competent jurisdiction in any state that any restriction in this Section 6 is excessive in duration or scope or is unreasonable or unenforceable under applicable law, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by the laws of that state.

(i) Enforcement; Tolling. The Executive acknowledges that in the event of any breach or threatened breach of this Section 6, the business interests of the Company and the other members of the Company Group will be irreparably injured, the full extent of the damages to the Company and the other members of the Company Group will be impossible to ascertain, monetary damages

will not be an adequate remedy for the Company and the other members of the Company Group, and the Company will be entitled to enforce this Agreement by a temporary, preliminary and/or permanent injunction or other equitable relief, without the necessity of posting bond or security, which the Executive expressly waives. The Executive understands that the Board may, in its discretion, waive some of the requirements expressed in this Agreement, but that such a waiver to be effective must be made in writing and should not in any way be deemed a waiver of the Company's right to enforce any other requirements or provisions of this Agreement. The Executive agrees that each of the Executive's obligations specified in this Agreement is a separate and independent covenant and that the unenforceability of any of them shall not preclude the enforcement of any other covenants in this Agreement. In the event of any violation of the provisions of Section 6(c), the Executive acknowledges and agrees that the Restricted Period shall be extended by a period of time equal to the period of such violation, it being the intention of the parties hereto that the running of the Restricted Period shall be tolled during any period of such violation.

7. Cooperation. Upon the receipt of reasonable notice from the Company (including through outside counsel), the Executive agrees that, while employed by the Company and for a period of 24 months thereafter, the Executive will respond and provide information with regard to matters in which the Executive has knowledge as a result of the Executive's employment or service with the Company, and will, subject to his reasonable availability in light of other business and personal matters, provide reasonable assistance to the Company, other members of the Company Group and their respective representatives, in defense of any claims that may be made against the Company or any other member of the Company Group, and will assist the Company and other members of the Company Group in the prosecution of any claims that may be made by the Company or any other member of the Company Group, to the extent that such claims are based on facts occurring during the Executive's employment with the Company (collectively, the "Claims"). During the pendency of any litigation or other proceeding involving Claims, the Executive shall not communicate with anyone (other than the Executive's attorneys and tax and/or financial advisors and except to the extent that the Executive determines in good faith is necessary in connection with the performance of the Executive's duties hereunder) with respect to the facts or subject matter of any pending or potential litigation or regulatory or administrative proceeding involving the Company or any other member of the Company Group without giving prior written notice to the Company or the Company's counsel. Upon presentation of appropriate documentation, the Company shall pay or reimburse the Executive for all reasonable out-of-pocket travel, duplicating or telephonic expenses incurred by the Executive in complying with this Section 7. The Company shall cooperate with the Executive on the timing and location of the Executive's cooperation and use its good faith efforts to limit any travel or interference with the Executive's other professional commitments. In addition, following the Executive's termination of employment, to the extent the Executive is not receiving any severance payments, the Executive shall be compensated for the time spent for such cooperation at an hourly rate based on no less than the Executive's Base Salary at the rate in effect as of the Termination Date.

8. Indemnification. During the Term and thereafter, the Company agrees to indemnify and hold the Executive and the Executive's heirs and representatives harmless, to the maximum extent permitted by law, against any and all damages, costs, liabilities, losses and expenses (including reasonable attorneys' fees and legal expenses) as a result of any claim or proceeding (whether civil, criminal, administrative or investigative), or any threatened claim or

proceeding (whether civil, criminal, administrative or investigative), against the Executive that arises out of or relates to the Executive's service as an officer, director or employee, as the case may be, of the Company, or the Executive's service in any such capacity or similar capacity with an affiliate of the Company or other entity at the request of the Company, and to promptly advance to the Executive or the Executive's heirs or representatives such fees and expenses upon written request with appropriate documentation of such expense upon receipt of an undertaking by the Executive or on the Executive's behalf to repay such amount if it shall ultimately be determined that the Executive is not entitled to be indemnified by the Company. During the Term and at all times thereafter during which the Executive may be subject to claims in respect of his service to the Company Group, the Company also shall provide the Executive with coverage under its current directors' and officers' liability policy to the same extent that it provides such coverage to its other directors and executive officers. If the Executive has any knowledge of any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative, as to which the Executive may request indemnity under this provision, the Executive will give the Company prompt written notice thereof; provided that the failure to give such notice shall not affect the Executive's right to indemnification. The Company shall be entitled to assume the defense of any such proceeding and the Executive will use reasonable efforts to cooperate with such defense. To the extent that the Executive in good faith determines that there is an actual or potential conflict of interest between the Company and the Executive in connection with the defense of a proceeding, the Executive shall so notify the Company and shall be entitled to separate representation at the Company's expense by counsel selected by the Executive (provided that the Company may reasonably object to the selection of counsel within ten business days after notification thereof), which counsel shall cooperate, and coordinate the defense, with the Company's counsel and minimize the expense of such separate representation to the extent consistent with the Executive's separate defense. This Section 8 shall continue in effect after the termination of the Executive's employment or the termination of this Agreement. In addition, effective as of the Start Date, the Company and the Executive will enter into an indemnification agreement in the form attached as Exhibit C.

9. Whistleblower Protection; Protected Activity.

(a) Notwithstanding anything to the contrary contained herein, no provision of this Agreement shall be interpreted so as to impede the Executive (or any other individual) from reporting possible violations of federal law or regulation to any governmental agency or entity, including, but not limited to, the Department of Justice, the Securities and Exchange Commission, Congress and any agency Inspector General, or making other disclosures under the whistleblower provisions of federal law or regulation. The Executive does not need the prior authorization of the Company to make any such reports or disclosures, and the Executive shall not be required to notify the Company that such reports or disclosures have been made.

(b) The Executive hereby acknowledges and agrees that nothing in this Agreement shall in any way limit or prohibit the Executive from engaging for a lawful purpose in any Protected Activity. For purposes of this Agreement, "Protected Activity" shall mean (i) filing a charge, complaint or report with, or otherwise communicating with, cooperating with or participating in any investigation or proceeding that may be conducted by, any federal, state or local government agency or commission, including the Equal Employment Opportunity Commission, the Department of Labor, the Occupational Safety and Health Administration, and the National Labor

Relations Board (the "Government Agencies"), or (ii) any rights the Executive may have under Section 7 of the National Labor Relations Act or equivalent state law to engage in concerted protected activity or to discuss the terms of employment or working conditions with or on behalf of coworkers, or to bring such issues to the attention of the Board at any time. The Executive understands that in connection with such Protected Activity, the Executive is permitted to disclose documents or other information as permitted by law, and without giving notice to, or receiving authorization from, the Company. Notwithstanding the foregoing, the Executive agrees to take all reasonable precautions to prevent any unauthorized use or disclosure of any information that may constitute Confidential Information to any parties other than the relevant Government Agencies. The Executive further understands that Protected Activity does not include the disclosure of any Company attorney-client privileged communications, and that any such disclosure without the Company's written consent shall constitute a material breach of this Agreement.

10. Notices. All notices, demands, requests or other communications, which may be or are required to be given or made by any party to any other party pursuant to this Agreement, shall be in writing and shall be hand delivered, mailed by first-class registered or certified mail, return receipt requested, postage prepaid, delivered by overnight air courier, or transmitted by e-mail addressed as follows:

(i) If to the Company:

Frontier Communications Corporation
401 Merritt 7
Norwalk, Connecticut 06851
Attention: Board of Directors

(ii) If to the Executive:

Address and personal email address last shown on the Company's books and records

With a copy, not constituting notice to:

Moulton | Moore | Stella LLP
Frank Gehry Building
2431 Main Street, Suite C
Santa Monica, CA 90405
Attention: Adam Stella
Email: adam@moultonmoore.com

Each party may designate by notice in writing a new address or email address to which any notice, demand, request or communication may thereafter be so given, served or sent. Each notice, demand, request or communication that shall be given or made in the manner described above shall be deemed sufficiently given or made for all purposes at such time as it is delivered to the addressee (with the return receipt, the delivery receipt, confirmation of e-mail transmission or the affidavit of messenger being deemed conclusive but not exclusive evidence of such delivery) or at such time as delivery is refused by the addressee upon presentation.

11. Severability. The provisions of this Agreement shall be deemed severable. The invalidity or unenforceability of any provision of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by applicable law. If any term or provision of this Agreement is found to be invalid or unenforceable by a final determination of a court of competent jurisdiction, the invalid or unenforceable term or provision hereof shall be deemed replaced by a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision hereof.

12. Survival. It is the express intention and agreement of the parties hereto that the provisions of Sections 6 through 22 shall survive the termination of employment of the Executive. In addition, all obligations of the Company to make payments hereunder shall survive any termination of this Agreement subject to the terms and conditions set forth herein.

13. No Assignments. The rights and obligations of the parties to this Agreement shall not be assignable or delegable, except that (a) in the event of the Executive's death, the personal representative or legatees or distributees of the Executive's estate, as the case may be, shall have the right to receive any amount owing and unpaid to the Executive hereunder; and (b) the rights and obligations of the Company hereunder shall be assignable and delegable in connection with any subsequent merger, consolidation, sale of all or substantially all of the assets or equity interests of the Company or similar transaction involving the Company or a successor corporation. The Company shall require any successor to the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

14. Binding Effect. Subject to any provisions hereof restricting assignment, this Agreement shall be binding upon the parties hereto and shall inure to the benefit of the parties and their respective heirs, devisees, executors, administrators, legal representatives, successors and assigns.

15. Amendments; Modifications; Waivers. No provision of this Agreement may be amended, modified, waived or discharged, unless such amendment, modification, waiver or discharge is agreed to in writing and signed by the Executive and such officer or director of the Company as may be designated by the Board. For purposes of this Section 15, a "writing" shall not include facsimile or e-mail. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time unless such waiver specifically states that it is to be construed as a continuing waiver.

16. Section Headings; Inconsistency. Section and subsection headings contained in this Agreement are inserted for convenience of reference only, shall not be deemed to be a part of this Agreement for any purpose, and shall not in any way define or affect the meaning, construction or scope of any of the provisions hereof. In the event of any inconsistency between the terms of

this Agreement and any form, award, plan or policy of the Company, the terms of this Agreement shall govern and control, unless otherwise expressly provided.

17. Governing Law. This Agreement, the rights and obligations of the parties hereto, and any claims or disputes relating thereto, shall be governed by and construed in accordance with the laws of the State of Delaware (but not including any choice of law rule thereof that would cause the laws of another jurisdiction to apply).

18. Dispute Resolution. Except for the rights to seek specific performance provided in Section 6, any other dispute arising out of or asserting breach of this Agreement, or any statutory or common law claim by the Executive relating to the Executive's employment under this Agreement or the termination thereof (including any tort or discrimination claim), shall be exclusively resolved by binding statutory arbitration in accordance with the Employment Dispute Resolution Rules of the American Arbitration Association. Such arbitration process shall take place in Connecticut (or such other U.S. state as may be mutually agreed to by both the Company and the Executive). A court of competent jurisdiction may enter judgment upon the arbitrator's award. All costs and expenses of arbitration (other than fees and disbursements of counsel) shall be borne by the Company. Fees and disbursements of counsel shall be borne by the respective party incurring such costs and expenses.

19. Entire Agreement; Advice of Counsel. This Agreement constitutes the entire agreement between the parties respecting the employment of the Executive, there being no representations, warranties or commitments except as set forth herein, and supersedes and replaces all other agreements related to the subject matter hereof; *provided* that the terms set forth herein with respect to RSUs, PSUs and/or other long term incentive awards shall apply with respect to any such grants made after the date hereof unless otherwise expressly agreed by the Executive in writing (it being understood that the foregoing shall not be deemed to modify the provisions set forth herein that only apply during the first three years of the Term). The Executive acknowledges that, in connection with the Executive's entry into this Agreement, the Executive was advised by an attorney of the Executive's choice on the terms and conditions of this Agreement, including, without limitation, on the application of Code Section 409A on the payments and benefits payable or to be paid to the Executive hereunder.

20. Counterparts. This Agreement may be executed (including by e-mail with scan attachment) in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.

21. Withholding. The Company shall withhold from any and all amounts payable under this Agreement or otherwise such federal, state and local taxes as may be required to be withheld pursuant to any applicable law or regulation, and all payments under this Agreement shall be in amounts net of any such deductions or withholdings; *provided* that clause (3) of Section 3(d)(ii) shall apply with respect to any RSUs, PSUs or similar awards granted to the Executive by the Company.

22. Code Sections 409A and 280G.

(a) Section 409A.

(i) General. The intent of the parties is that payments and benefits under this Agreement comply with, or be exempt from, Internal Revenue Code Section 409A and the regulations and guidance promulgated thereunder (collectively, "Code Section 409A"), and accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith or exempt therefrom.

(ii) Separation from Service. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits that constitute "nonqualified deferred compensation" upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A, and for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." If the Executive is deemed on the Termination Date to be a "specified employee" within the meaning of that term under Code Section 409A(a)(2)(B), then with regard to any payment or the provision of any benefit that is considered deferred compensation under Code Section 409A payable on account of a "separation from service," such payment or benefit shall be made or provided at the date that is the earlier of (i) the expiration of the six-month period measured from the date of such "separation from service" of the Executive, and (ii) the date of the Executive's death, to the extent required under Code Section 409A. Upon the expiration of the foregoing delay period, all payments and benefits delayed pursuant to this Section 22(a)(ii) (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Executive in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

(iii) Reimbursements and In-Kind Benefits. To the extent that reimbursements or other in-kind benefits under this Agreement constitute "nonqualified deferred compensation" for purposes of Code Section 409A, (i) all expenses or other reimbursements hereunder shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by the Executive, (ii) any right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (iii) no such reimbursement, expenses eligible for reimbursement, or in-kind benefits provided in any taxable year shall in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year.

(iv) Installment Payments. For purposes of Code Section 409A, the Executive's right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days, the actual date of payment within the specified period shall be within the sole discretion of the Company.

(v) No Offset. Notwithstanding any other provision of this Agreement to the contrary, in no event shall any payment under this Agreement that constitutes "nonqualified deferred compensation" for purposes of Code Section 409A be subject to offset by any other amount unless otherwise permitted by Code Section 409A.

(b) Section 280G.

(i) If any payment or benefit the Executive will or may receive from the Company or any of its Affiliates under this Agreement or otherwise (a "280G Payment") would (x) constitute a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended, and the rules and regulations thereunder (the "Code"), and (y) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then each such 280G Payment (collectively, the "Payments") shall be reduced to the extent necessary for the Payments to equal, in the aggregate, the Reduced Amount. The "Reduced Amount" shall be either (1) the largest portion of the Payments that would result in no Excise Tax on the Payments (after reduction), or (2) the total Payments, whichever amount (*i.e.*, the amount determined by clause (1) or by clause (2)), after taking into account all applicable federal, state, and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in the Executive's receipt, on an after-tax basis, of the greater economic benefit notwithstanding that all or some portion of the Payments may be subject to the Excise Tax. If a reduction in the Payments is required pursuant to the preceding sentence and the Reduced Amount is determined pursuant to clause (1) of the preceding sentence, the reduction shall occur in the manner (the "Reduction Method") that results in the greatest economic benefit for Executive. If more than one method of reduction will result in the same economic benefit, the items so reduced will be reduced pro rata (the "Pro Rata Reduction Method").

(ii) Notwithstanding any provision of Section 22(b)(i) to the contrary, if the Reduction Method or the Pro Rata Reduction Method would cause any portion of the Payments to be subject to taxes pursuant to Section 409A, and any state law of similar effect that would not otherwise be subject to taxes pursuant to Section 409A, then the Reduction Method and/or the Pro Rata Reduction Method, as the case may be, shall be modified so as to avoid the imposition of taxes pursuant to Code Section 409A as follows: (x) as a first priority, the modification shall preserve to the greatest extent possible, the greatest economic benefit for Executive as determined on an after-tax basis; (y) as a second priority, Payments that are contingent on future events shall be reduced (or eliminated) before Payments that are not contingent on future events; and (z) as a third priority, Payments that are "deferred compensation" within the meaning of Section 409A shall be reduced (or eliminated) before Payments that are not deferred compensation within the meaning of Section 409A.

(iii) The Company shall appoint a nationally recognized accounting firm, law firm or consultancy to make the determinations required by this Section 22(b) and shall, to the extent consistent with Section 280G of the Code, all reductions to the value of payments that might otherwise qualify as a "parachute payments" under such Section (including the value of noncompetition restrictions and reasonable compensation for pre- and post-change

in control services). The Company shall bear all expenses with respect to the determinations by such accounting firm, law firm or consultancy required to be made hereunder.

23. Definitions.

"Affiliate" means any entity controlled by, in control of, or under common control with, the Company.

"After-Tax Value" means the aggregate amount of the Sign-on Bonus net of all taxes (including, without limitation, U.S. and non-U.S. taxes) the Executive is required to pay in respect thereof and determined taking into account any tax benefit that are available to the Executive in respect of such repayment. The Company shall determine in good faith the After-Tax Value, which determination shall be final, conclusive, and binding; except that if the Executive disagrees with the Company's determination, then the Company shall utilize a nationally-recognized accounting firm to review such determination at the Company's sole expense.

"Cause" means (a) the Executive's willful and continued failure (other than as a result of physical or mental illness or injury) to perform the Executive's material duties to the Company Group (it being understood that actions taken by Executive in good faith and in furtherance of the best interests of the Company will not be deemed to be willful for this purpose), which continues beyond 10 business days after a written demand for substantial performance is delivered to the Executive by the Board (which demand shall identify and describe such failure with sufficient specificity to allow the Executive to respond); (b) willful or intentional conduct that causes material and demonstrable injury, monetarily or otherwise, to the Company, which is not cured within 10 business days after written notice of the conduct is delivered to the Executive by the Company (which notice shall identify and describe such conduct with sufficient specificity to allow the Executive to respond); (c) conviction of, or a plea of guilty or *nolo contendere* to, a crime constituting a felony under the laws of the United Kingdom, United States or any state thereof, or a misdemeanor involving moral turpitude; (d) a material violation of the Company's code of conduct (which shall have been provided to the Executive), subject to reasonable notice and opportunity (and, in any event, at least 10 business days from when written notice of the violation is delivered to the Executive by the Company (which notice shall identify and describe such violation with sufficient specificity to allow the Executive to respond)) to cure (if curable, without being inconsistent with the interests of the Company, as reasonably determined in good faith by the Board); or (e) the Executive's material breach of this Agreement or any other material agreement with the Company, which is not cured within 10 business days after written notice of the breach is delivered to the Executive by the Company (which notice shall identify and describe such breach with sufficient specificity to allow the Executive to respond).

"Change in Control" shall have the meaning set forth in the Company's 2017 Equity Incentive Plan; provided that neither the Company's emergence from chapter 11 bankruptcy nor the consummation of any transactions related thereto shall be deemed to be a Change in Control. Upon adoption of the MIP, this Agreement shall be amended to conform the definition of Change in Control set forth herein with the definition included in the MIP.

"Company Group" means the Company and each of its Subsidiaries.

"Competitive Enterprise" means a business enterprise that engages in, or owns or controls a significant interest in any entity that engages in, the primary business of the Company Group in the United States of America.

"Confidential Information" means all non-public information concerning trade secrets, know-how, software, developments, inventions, processes, technology, designs, financial data, strategic business plans or any proprietary or confidential information, documents or materials in any form or media, including any of the foregoing relating to research, operations, finances, current and proposed products and services, vendors, customers, advertising and marketing, and other non-public, proprietary, and confidential information of the Company Group. Notwithstanding anything to the contrary contained herein, the general skills, knowledge and experience gained during the Executive's employment with the Company, information publicly available or generally known within the industry or trade in which the Company competes and information or knowledge possessed by the Executive prior to the Executive's commencement of service with the Company, shall not be considered Confidential Information.

"Disability" means becoming eligible for long-term disability payments under the Company's Long-Term Disability program.

"Good Reason" means, following the Start Date, and unless otherwise consented to in writing by the Executive, (a) a material diminution in the Executive's Base Salary or target Annual Bonus opportunity (other than an across-the-board reduction of not more than 10% that impacts all similarly situated senior executives of the Company equally); (b) any material diminution in the Executive's position, authority or responsibilities set forth herein or on Exhibit A; (c) the Board's failure to make the Initial Equity Grant within 120 days following the date of the Company's emergence from chapter 11 bankruptcy; (d) the Company's material breach of this Agreement or any other material agreement with the Executive (including any requirement that the Executive report to any person or group of persons other than the Board at any time or the Executive Chairman); (e) on or following a Change in Control, the Executive's ceasing to be a chief executive officer who reports directly to the board of directors of a public company; or (f) upon a Change in Control, a successor to the Company failing to expressly assume this Agreement. Notwithstanding the foregoing, a resignation will only qualify as being for "Good Reason" if, within 60 days following the initial existence of a condition listed above (or, if later, the time at which the Executive knew or reasonably should have known of its existence), the Executive provides notice to the Company of the existence of a supposedly qualifying condition and the related circumstances that cause it to qualify, and within 30 days after such notice, the Company does not remedy the condition and, within 60 days following the Company's failure to remedy the condition, the Executive actually resigns from employment with the Company.

"Restricted Period" means the period commencing on the Start Date and ending 12 months following the termination of the Executive's employment with the Company.

"Subsidiary" means any subsidiary corporation of the Company within the meaning of Section 424(f) of the Code.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the undersigned have duly executed and delivered this Agreement, or have caused this Agreement to be duly executed and delivered on their behalf.

FRONTIER COMMUNICATIONS CORPORATION

By: _/s/ Mark D. Nielsen_____
Name: Mark D. Nielsen
Title: Executive Vice President and Chief Legal Officer

Date: December 7, 2020

EXECUTIVE

By: _/s/ Nick Jeffery_____
Name: Nick Jeffery

Date: December 7, 2020

[*Signature Page to Employment Agreement*]

EXHIBIT A

Chief Executive Officer Duties and Responsibilities

Duties/Responsibilities

- Execute the company's strategic plan as developed alongside the Executive Chairman, to include evaluation of primary investments in the core business, participation and implementation of government subsidy programs (e.g. RDOF), evaluation of M&A, and other strategic alternatives

- Lead the development of the company's annual operating budget, present to board for approval, and oversee its implementation. Tightly link capital spending to the company's strategic and operating plans, prioritize investments, oversee execution

- Create and nurture a strong, healthy and winning culture for the business – turn into a competitive advantage

- Build a great team. Recruit and retain key talent, develop new and existing staff to realize full potential. Actively promote an organization-wide commitment to diversity and inclusion in the company's hiring practices and the development of the team

- Build a strong and compelling brand. Establish clear points of differentiation, communicate clearly to the marketplace, ensure consistent execution across all points of engagement with customers, partners, stakeholders

- In coordination with the Executive Chairman and Chief Financial Officer, take an active role communicating with shareholders, financial institutions, and other key stakeholders. Guide engagement with capital markets / financing transactions

- Where applicable, serve as key point of contact with regulatory, government and labor union officials

- Extend the Company's impact by developing and nurturing key client and partner relationships

- Provide clear operational insight to the board; ensure regular and constructive engagement on governance matters/ key strategic operational initiatives and risks

EXHIBIT B

Form of Release of Claims

EXHIBIT C

Form of Indemnification Agreement

List of subsidiaries of Frontier Communications Corporation*

As of December 31, 2020

Entity Name	Domestic Jurisdiction
Citizens Capital Ventures Corp.	Delaware
Citizens Directory Services Company L.L.C.	Delaware
Citizens Louisiana Accounting Company	Delaware
Citizens Newcom Company	Delaware
Citizens Newtel, LLC	Delaware
Citizens Pennsylvania Company LLC	Delaware
Citizens SERP Administration Company	Delaware
Citizens Telecom Services Company L.L.C.	Delaware
Citizens Telecommunications Company of California Inc.	California
Citizens Telecommunications Company of Illinois	Illinois
Citizens Telecommunications Company of Minnesota, LLC	Delaware
Citizens Telecommunications Company of Nebraska	Delaware
Citizens Telecommunications Company of Nebraska LLC	Delaware
Citizens Telecommunications Company of Nevada	Nevada
Citizens Telecommunications Company of New York, Inc.	New York
Citizens Telecommunications Company of Tennessee L.L.C.	Delaware
Citizens Telecommunications Company of The White Mountains, Inc.	Delaware
Citizens Telecommunications Company of Utah	Delaware
Citizens Telecommunications Company of West Virginia	West Virginia
Citizens Utilities Capital L.P.	Delaware
Citizens Utilities Rural Company, Inc.	Delaware
Commonwealth Communication, LLC	Delaware
Commonwealth Telephone Company LLC	Pennsylvania
Commonwealth Telephone Enterprises LLC	Delaware
Commonwealth Telephone Enterprises LLC	Pennsylvania
Commonwealth Telephone Management Services, Inc.	Pennsylvania
CTE Holdings, Inc.	Pennsylvania
CTE Services, Inc.	Pennsylvania
CTE Telecom, LLC	Pennsylvania
CTSI, LLC	Pennsylvania
CU Capital LLC	Delaware
CU Wireless Company, LLC	Delaware
Electric Lightwave NY, LLC	Delaware
Evans Telephone Holdings, Inc.	Delaware
Fairmount Cellular, LLC	Georgia
Frontier Communications - Midland, Inc.	Illinois
Frontier Communications - Prairie, Inc.	Illinois

Frontier Communications - Schuyler, Inc.	Illinois
Frontier Communications Corporate Services, Inc.	Delaware
Frontier Communications Corporation	Delaware
Frontier Communications ILEC Holdings LLC	Delaware
Frontier Communications of America, Inc.	Delaware
Frontier Communications of Ausable Valley, Inc.	New York
Frontier Communications of Breezewood, LLC	Pennsylvania
Frontier Communications of Canton, LLC	Pennsylvania
Frontier Communications of Depue, Inc.	Illinois
Frontier Communications of Georgia, LLC	Georgia
Frontier Communications of Illinois, Inc.	Illinois
Frontier Communications of Indiana, LLC	Indiana
Frontier Communications of Iowa, LLC	Iowa
Frontier Communications of Lakeside, Inc.	Illinois
Frontier Communications of Lakewood, LLC	Pennsylvania
Frontier Communications of Michigan, Inc.	Michigan
Frontier Communications of Minnesota, Inc.	Minnesota
Frontier Communications of Mississippi LLC	Mississippi
Frontier Communications of Mt. Pulaski, Inc.	Illinois
Frontier Communications of New York, Inc.	New York
Frontier Communications of Orion, Inc.	Illinois
Frontier Communications of Oswayo River LLC	Pennsylvania
Frontier Communications of Pennsylvania, LLC	Pennsylvania
Frontier Communications of Rochester, Inc.	Delaware
Frontier Communications of Seneca-Gorham, Inc.	New York
Frontier Communications of Sylvan Lake, Inc.	New York
Frontier Communications of the Carolinas LLC	Delaware
Frontier Communications of The South, LLC	Alabama
Frontier Communications of The Southwest, Inc.	Delaware
Frontier Communications of Thorntown, LLC	Indiana
Frontier Communications of Virginia, Inc.	Virginia
Frontier Communications of Wisconsin, LLC	Wisconsin
Frontier Communications Online And Long Distance, Inc.	Delaware
Frontier Communications Services, Inc.	Arizona
Frontier Directory Services Company, LLC	Delaware
Frontier Infoservices Inc.	Delaware
Frontier Midstates Inc.	Georgia
Frontier Mobile LLC	Delaware
Frontier North, Inc.	Wisconsin
Frontier Security Company	Delaware

Frontier Subsidiary Telco, LLC	Delaware
Frontier Techserv, Inc.	Delaware
Frontier Telephone Of Rochester, Inc.	New York
Frontier West Virginia, Inc.	West Virginia
GVN Services	California
Navajo Communications Co., Inc.	New Mexico
N C C Systems, Inc.	Texas
Ogden Telephone Company	New York
Phone Trends, Inc.	New York
Rhinelander Telecommunications, LLC	Wisconsin
Rib Lake Cellular For Wisconsin RSA #3, Inc.	Wisconsin
Rib Lake Telecom, Inc.	Wisconsin

* All entities are direct or indirect wholly-owned subsidiaries of Frontier Communications Corporation.

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Frontier Communications Corporation:

We consent to the incorporation by reference in the registration statement Nos. 333-188440, 333-159508, 333-151247, 333-151248, 333-151245, 333-142636, 333-91054, 333-71821, 333-71597, 333-71029, 333-61432, 33-54376, 33-48683, 33-42972, 333-203625, and 333-217845 on Form S-8 of Frontier Communications Corporation of our reports dated March 3, 2021, with respect to the consolidated balance sheets of Frontier Communications Corporation as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive loss, equity (deficit), and cash flows for each of the years in the three-year period ended December 31, 2020, and the related notes, and the effectiveness of internal control over financial reporting as of December 31, 2020, which reports appear in the December 31, 2020 annual report on Form 10-K of Frontier Communications Corporation.

Our report on the consolidated financial statements dated March 3, 2021 contains an explanatory paragraph that states the Company has filed petitions for relief under Chapter 11 of the U.S. Bankruptcy Code, which raises substantial doubt about its ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of that uncertainty.

/s/ KPMG LLP

Stamford, Connecticut
March 3, 2021

Exhibit 31.1

CERTIFICATIONS

I, Bernard L. Han, certify that:

1. I have reviewed this annual report on Form 10-K of Frontier Communications Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 3, 2021

/s/ Bernard L. Han
Bernard L. Han
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Sheldon Bruha, certify that:

1. I have reviewed this annual report on Form 10-K of Frontier Communications Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 3, 2021

/s/ Sheldon Bruha
Sheldon Bruha
Executive Vice President, Chief Financial Officer

CERTIFICATIONS PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Frontier Communications Corporation (the "Company") on Form 10-K for the period ended December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Bernard L. Han, President and Chief Executive Officer and Sheldon Bruha, Executive Vice President, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Bernard L. Han	/s/ Sheldon Bruha
Bernard L. Han	Sheldon Bruha
President and Chief Executive Officer	Executive Vice President, Chief Financial Officer
March 3, 2021	March 3, 2021

This certification is made solely for purpose of 18 U.S.C. Section 1350, subject to the knowledge standard contained therein, and not for any other purpose.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signatures that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Frontier Communications Corporation and will be retained by Frontier Communications Corporation and furnished to the Securities and Exchange Commission or its staff upon request.