Final Exception Document
Mutually agreed to by the State of Arizona and Frontier

The following are the exceptions which were submitted by Frontier in response to the State of Arizona's solicitation ADSPO14-00004241. Any exceptions not addressed by the State in this document were not considered and shall be deemed not accepted by the State and shall not become a part of any resultant contract.

All accepted exceptions shall be incorporated within in applicable sections of a resultant contract. Approved exceptions shall override the original RFP language, unless the acceptance was only clarification.

1) Solicitation section reference: Scope of Work

7.2 Minimum Guarantees:

7.2.1 Restore and Response defined:

7.2.1.1 Restore – Means a 'full service restoration'.

7.2.1.2 Response – Means having a physical presence onsite.

Frontier Exception:

Frontier Response: Exception - Not all restorations require an onsite presence.

State Initial Response: Clarification understood no change to the Scope required.

State's Final Response: Accept as clarification, no change to RFP language required.

2) Solicitation section reference: Scope of Work

7.2.4 Restore and Response penalties:

7.2.4.1 Every 15 minutes that 'full service restoration' is not completed the Contractor shall be charged a penalty of 5% of the customer's monthly bill. This will be seen in the form of a credit against the billed amount at the end of the month.

Frontier Exception:

Frontier Response: Frontier takes exception the severity of the penalty and offers the following:

Frontier Alternative Language:

The liability of Frontier and its affiliates related to this contract or the Service or Equipment provided under this contract shall in no event exceed the limitations of liability set forth in the applicable tariffs, or regulatory rule or order. If there is no applicable tariff, regulatory rule or order, the total amount paid for the applicable Service or Equipment during the prior 12 months. In cases of an Outage, Frontier's liability shall be limited to 1/720 of the MRC for each hour after Frontier is notified of the Outage. An "Outage" is an interruption in Service or use of the Equipment caused by a failure of Frontier's Network, excluding degradation or disruption due to planned or emergency maintenance or an event outside Frontier's direct control. Notwithstanding the above, Frontier will not be liable to Customer for interruptions in Services or Equipment caused by failure of hardware or software, failure of communications services, power outages, or other interruptions not within the complete control of Frontier. In addition, there will be no credits, reductions or set-offs against charges for Services or Equipment, or for interruptions of Services or Equipment, except as expressly set forth herein.

State Initial Response: Proposed language shall read as follows:

7.2.4.1 If full service restoration is not completed the contractor shall be liable for 1/720 of the MRC for each hour after the allowable response time has been exhausted. This will be seen in the form of a credit against the billed amount at the end of the month.

An " Outage" is an interruption in Service or use of the Equipment caused by a failure of the Contractor's Network, excluding degradation or disruption due to planned or emergency maintenance or an event outside o f t he Contractor's direct control.

Frontier Response 1-28-15: We accept the State's Response

State's Final Response: State's original response stands and language shall be in resultant contracts as stated.

3) Solicitation section reference: Scope of Work

9.2.2 Service Maps. Contractors shall provide maps of their current and planned broadband infrastructure in KMZ or an equivalent digital format for counties in which they intend to offer services under this contract, such maps need to include physical layer fiber routes, including long haul, middle mile and last mile segments; points-of-presence, interconnection/peering points, central offices, and data centers; other access points such as: manholes, splice points, etc. Direct information with regard to

served customers need not be included. These maps are to be updated on a semi-annual basis and submitted to the State
Procurement Office.

Frontier Exception:

Frontier Response: Exception - Frontier considers this information to be proprietary and takes exception to the level of detail being requested.

Frontier would be willing to provide limited information with the execution of a NDA. Data could include some fiber route maps, egress circuit termination points (i.e. Kingman to Palo Alto, St. Michaels to Albuquerque) and CO address locations.

State Initial Response:
State understands that this is proprietary information. But as a requirement of the award, it must execute an NDA acceptable to the state and provide the information prior to award.

Frontier Response 1-28-15: We accept the State's Response

State's Final Response: Frontier to sign a revised SPO 204 Form so the state can deem the maps proprietary and confidential. Once this is completed Frontier to withdraw exception.

4) Solicitation section reference: Scope of Work

11.2.1.2.1.2 Usage Based by 1/10th minute increments starting with called party answer.

Frontier Exception:

Frontier Response: Exception - Long Distance billing is based on the first 18 seconds and then in 6 second increments thereafter.

State Initial Response: Exception aligns with solicitation language. 1/10th of a minute is 6 seconds

Frontier Response 1-28-15: We accept the State's Response

State's Final Response: Exception withdrawn by Frontier.

5) Solicitation section reference: Scope of Work

11.2.1.2.2.2 Usage Based by country called per 1/10th minute increments starting with called party answer.

Frontier Exception:

Frontier Response: Exception – International Long Distance billing is based on the first 30 seconds and then in 6 second increments thereafter.

State Initial Response: Exception aligns with solicitation language. 1/10th of a minute is 6 seconds

Frontier Response 1-28-15: We accept the State's Response

State's Final Response: Exception withdrawn by Frontier.

6) Solicitation section reference: Special Terms and Conditions

14.5 Compliance with Applicable Laws. The Materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable license and permit requirements.

Contractor represents and warrants to the State that Contractor has the skill and knowledge possessed by members of its trade or profession and Contractor will apply that skill and knowledge with care and diligence so Contactor and Contractor's employees and any authorized subcontractors shall perform the Services described in this Contract in accordance with the Statement of Work.

Contractor represents and warrants that the Materials provided through this Contract and Statement of Work shall be free of viruses, backdoors, worms, spyware, malware and other malicious code that will hamper performance of the Materials, collect unlawful personally identifiable information on users or prevent the Materials from performing as required under the terms and conditions of this Contract.

Frontier Exception:

Frontier Response: Frontier takes exception: Frontier will pass through to the State of Arizona all warranties provided by the manufacturers of any software or hardware we install in the process of delivering services under this RFP.

State Initial Response: Unacceptable, exception does not align with referenced section.

Frontier Response 1-28-15: We retract our response and agree with the Special Terms and Conditions in 14.5 that

are referenced above.

State's Final Response: Exception withdrawn by Frontier.

7) Solicitation section reference: Special Terms and Conditions

20.3 Information Access. The Contractor shall, where applicable, implement and/or use network management and maintenance applications and tools and appropriate fraud prevention and detection and encryption technologies. The Contractor and its employees, agents and Subcontractors shall comply with all policies and procedures of the individual Customer regarding data access, privacy and security, including those prohibiting or restricting remote access to the Customer's systems and data. The

Customer shall authorize, and the Contractor shall issue, any necessary information-access mechanisms, including access IDs and passwords, and the Contractor agrees that the same shall be used only by the personnel to whom they are issued. The Contractor shall provide to such personnel only such level of access as is minimally necessary to perform the tasks and functions for which such personnel are responsible. The Contractor shall from time-to-time, upon request from the Customer, but in the absence of any request from the Customer at least quarterly, provide the Customer with an updated list of the Contractor personnel having access to the Customer's systems, software, and data, and the level of such access. Computer data and software, including the Customers Data, provided by the Customer or accessed (or accessible) by the Contractor personnel or the Contractor's Subcontractor personnel, shall be used by such personnel only in connection with the obligations provided hereunder, and shall not be commercially exploited by the Contractor or its Subcontractors in any manner whatsoever. Failure of the Contractor or the Contractor's Subcontractors to comply with the provisions of this Contract may result in the Customer restricting offending personnel from access to the Customer computer systems or the Customer Data or immediate termination of this Contract. It shall be the Contractor's obligation to maintain and ensure the confidentiality and security of the Customer Data in its possession or on its systems.

Frontier Exception:

Frontier Response: Frontier takes exception to Section 20.3, pending discussion and mutual agreement with respect to the relevance of its terms, based on the type of services to be provided.

State Initial Response: Not accepted.

Frontier Response 1-28-15: Frontier does not encrypt Customer traffic. Frontier does not have fraud prevention software or have access to the customer data in which to do so. We would be unable to provide fraud prevention services. The requirements fraud protection and detection and encryption technologies applications should be stricken from paragraph 20.3. Frontier has not been provided the policies and procedures of the individual Customer to be able to asses if we can comply. Please provide the necessary documentation for review.

State's Final Response: Accept as clarification, no change to RFP language required.

8) Solicitation section reference: Special Terms and Conditions

28.1.4 Technology Errors & Omissions Insurance

- Each Claim $ 2,000,000
- Annual Aggregate $ 2,000,000

28.1.4.1 Such insurance shall cover any and all errors, omissions, or negligent acts in the delivery of products, services, and/or licensed programs under this contract.

28.1.4.2 In the event that the Tech E&O insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.

Frontier Exception:

Frontier Response: Frontier takes exception to Section 28.1.4, including subsections 28.1.4.1 and 28.1.4.2. Frontier maintains Professional Liability Insurance at these claim limits. It does not provide coverage for Technology Errors & Omissions or Network Security (Cyber) and Privacy Liability.

State Initial Response: Not accepted.

Frontier Response 1-28-15: Frontier is responsible for the security of our Network. We do not provide coverage for Technology Errors & Omissions. Any claims will be under Professional Liability Insurance at the above claim limits.

State's Final Response: Accept as clarification, no change to RFP language required.

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9) Solicitation section reference: Special Terms and Conditions

28.1.5 Network Security (Cyber) and Privacy Liability (If applicable to service to be provided by the Contractor)

- Each Claim $ 2,000,000
- Annual Aggregate $ 2,000,000

28.1.5.1 Such insurance shall include but not limited to coverage for third party claims and losses with respect to network risks (such as data breaches, unauthorized access or use, ID theft, theft of data) and invasion of privacy regardless of the type of media involved in the loss of private information, crisis management and identity theft response costs – includes breach notification costs, credit remediation and credit monitoring, defense and claims expenses, regulatory defense costs plus fines and penalties, cyber extortion, computer program and electronic data restoration expenses coverage (data asset protection), network business interruption, computer fraud coverage, funds transfer fund

28.1.5.2 In the event that the Network Security and Privacy Liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.

Frontier Exception:

Frontier Response: Frontier takes exception to Section 28.1.5, including subsections 28.1.5.1 & 28.1.5.2. Network security is the responsibility of the State of Arizona and/or the client.

State Initial Response: Unacceptable

Network Security is the State of Arizona's responsibility on its own network, however the State of Arizona does expect carriers to be responsible for network security as it relates to services provided to the state to the defined demarcation points.

Frontier Response 1-28-15: The State's Response is accurate. Frontier provides security for its own Network as it relates to services provided to the state to the defined demarcation points.

State's Final Response: Accept as clarification, no change to RFP language required.