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Phone: +1 646 783 7100 | Fax: +1 646 783 7161 | [customerservice@law360.com](mailto:customerservice@law360.com)

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## Group Tells FCC To Set Broadband Adoption In Charter Deal

By **Margaret Harding McGill**

Law360, Washington (January 29, 2016, 6:38 PM ET) -- Charter Communications is taking steps to bridge the digital divide with its low-income broadband offering, but members of a California nonprofit said the company should go further by setting broadband adoption goals among low-income households in the state, according to filings Friday that detail meetings with Federal Communications Commission officials.

Representatives of California Emerging Technology Fund, or CETF, met with Commissioners Michael O’Rielly, Ajit Pai, Mignon Clyburn, Jessica Rosenworcel and staffers for Chairman Tom Wheeler to discuss imposing a public interest benefit on Charter in order to gain FCC approval of its \$55 billion merger with Time Warner Cable and \$10.4 billion acquisition of Bright House Networks.

CETF, which did not take a position on whether the overall transaction should be approved, said a condition to approval should be that the new company have a goal of broadband adoption in 696,000 to 960,000 low-income households in California.

In its quest for agency approval, Charter in December promised, within six months of approval, to **start providing** broadband service for \$14.99 a month to families whose children participate in the National School Lunch Program and to people 65 and older who receive Supplemental Security Income benefit.

Susan Walters, senior vice president of CETF, told Law360 on Friday that the company should go beyond that offer.

“It’s more than just putting an affordable price out there,” Walters said. “The price is fine, the speed is great. They’re taking steps in the right direction, they just have a few more to go.”

In its meetings with FCC officials, CETF said Charter should include a wireless router in its low-income broadband program so that Wi-Fi only devices, such as tablets provided to schoolchildren, can access the in-home Internet.

The organization also said the company should set broadband adoption performance goals, first at 45 percent of eligible households in two years. According to CETF data, the new company’s footprint in California will include about 2.3 million low-income households.

The new company should also work with community-based organizations to increase broadband adoption, CETF said.

CETF said there is precedent for such a public interest condition. AT&T agreed to provide an affordable broadband program at \$10 a month for four years as a condition of FCC approval in its merger with DirecTV in 2015.

Frontier Communications voluntarily entered into a memorandum of understanding with CETF to increase broadband adoption for 200,000 low-income households in California as a condition of its purchase of Verizon's wireline assets, CETF said.

A spokesman with Charter did not respond to a request for comment Friday.

The company has said its low-income broadband offering would cover subscribers in its "footprint," which would grow considerably through the merger. Charter, based in Stamford, Connecticut, has just over 6 million customers in 28 states for its phone, video and Internet products. The companies said when they announced the merger that they would serve 23.9 million customers in 41 states.

Aside from being open to new customers, the package would be offered to current Charter phone and video subscribers who meet the financial criteria, the company said. It said they cannot have had a broadband subscription with Charter, Time Warner or Bright House within 60 days of signing up, nor can they have outstanding unpaid debts with any of the companies.

The plan would be fully implemented within three years of the merger approval, Charter said.

-- Additional reporting by Patrick Boyle. Editing by Patricia K. Cole.

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