BEFORE THE FEDERAL COMMUNICATIONS COMMISSION

)	
and Other Authorizations)	
to Assign and Transfer Control of FCC Licenses)	MB Docket No. 14-57
and Time Warner Cable Inc. and Spinco)	
In the Matter of Applications of Comcast Corporation)	

COMMENTS OF THE CALIFORNIA EMERGING TECHNOLOGY FUND

The California Emerging Technology Fund (CETF) hereby submits Comments on the above-referenced Applications and Public Interest Statements relating to the proposed merger of Comcast Corporation (Comcast) and Time Warner Cable (TWC), and Comcast and Charter Communications (Charter), in accordance with the schedule set by the Commission in DA-14-986, released July 10, 2014.

I. Summary

Since 2011, Comcast and numerous community-based organization (CBO) partners have been assisting low-income families living in Comcast service areas in Northern California to sign up for Comcast Internet Essentials (CIE), a public benefit program approved by the FCC relating to the Comcast purchase of NBCUniversal. In the merger under consideration here, Comcast has proposed to the FCC to extend the CIE program to new service areas acquired from TWC as a public benefit. CETF files these comments to provide the Commission with hard data on Comcast's CIE performance in California to date, to request significant program improvements with goals, metrics, and accountability, and to propose an independently-managed fund for

¹ Public Interest Statement of Comcast Corporation. and Charter Communications, Inc. Charter-to-Comcast Exchange Transaction, MB Docket No. 14-57 (June 4, 2014)(Charter-to-Comcast Exchange Public Interest Statement) at 10-12.

broadband adoption outreach by experienced CBOs that could achieve bridging the Digital Divide for low-income school children in California.

CETF has monitored and analyzed the results to date of the CIE program in California, a major Comcast market and one that will gain Los Angeles County (10 million residents) through the proposed merger. In three years through December 2013, Comcast has signed up just 11% of the eligible population (families with K-12 children on the free-or-reduced-lunch National School Lunch Program (NSLP)) in California and 13% in the nation. That is 35,205 households in California out of more than 313,000 eligible families. At this rate, it would take another decade for Comcast to reach just half of the currently eligible population. This timeframe is not consistent with the 5-year timeframe set by this Commission in the recent E-rate Modernization Order to bring high-speed broadband and internal wireless connectivity to our nation's schools. The Commission's efforts in the E-rate docket coupled with the bold ConnectED initiative of the White House² should be combined with voluntary programs funded by major Internet Service Providers (ISPs) such as Comcast to provide affordable stand-alone Internet service to the *homes* of our nation's low-income families with school children. Without affordable Internet access at home, these children will not be able to perform Internet-enabled homework or research, further exacerbating the Achievement Gap.

If the corporate consolidations proposed by Comcast are approved, 87% of all California students on the free-and-reduced-lunch program will reside in Comcast service territory.³ This is why it is essential that the FCC hold Comcast accountable for making public verifiable subscription data available to accurately measure the company's performance in reaching CIE eligible households. Conservative analysis indicates that an estimated 1.3 million California

² http://www.whitehouse.gov/issues/education/k-12/connected

households (2.7 million school children) would be eligible for CIE in the newly-combined service territory of approximately 3.7 million households if the Comcast-TWC merger is approved.

Thus, CETF respectfully requests, in the event that the above-referenced merger is approved, the Commission mandate the following 5 requirements of CIE as a condition of the merger:

- 1. <u>Include All Low-Income Households</u>: Extend Internet Essentials program eligibility to all low-income households, not just those with K-12 school children. Currently, low-income seniors, veterans and people with disabilities are not eligible. Update the cable modem to a wireless modem to allow all members of a low-income household to connect to the Internet to leverage the program to any Wi-Fi enabled device, including the tablets many schools are providing students.
- 2. Set Performance Goals: Set a national goal for Comcast to increase Internet Essentials subscribership for eligible households (now at about 11% in California and the nation) to reach 45% in two years, and to continue the program until 80% adoption (subscriptions to all providers) is achieved in low-income neighborhoods in each major Comcast service area.
- 3. Capitalize an Independent Fund(s) and Coordinate with the States: Require Comcast to collaborate with states, such as California, that are major Comcast-TWC markets and have a strategic plan to close the Digital Divide. Additionally, the FCC should require Comcast to dedicate a sufficient amount to an independently-managed fund to engage experienced CBOs in broadband adoption to perform sign-ups in target low-income communities to achieve specific adoption subscribership goals.

- 4. <u>Establish a National Advisory Oversight Committee</u>: A national advisory committee overseeing Internet Essentials would provide feedback and input to the FCC in monitoring actual performance and progress to reach the goals and overcome the many problems that have limited subscribership in the program during the first three years.
- 5. Require Comcast to Offer Stand-Alone Internet Service: FCC should order Comcast offer a stand-alone Internet service, because low-income residents need to obtain Internet service at a reasonable rate, and not bundled with video, voice, security or other services. Additionally, Internet Essentials customers should not be disconnected if other Comcast services they have subscribed to are disconnected.

Finally, CETF recommends that Comcast be required to deploy high-speed broadband into priority unserved or underserved areas adjacent to or near its service areas (after merger), as designated by the California Public Utilities Commission (CPUC) relating to the California Advanced Services Fund (CASF) program in its Resolution T-17443⁴ and to continuously upgrade its network to meet service and performance requirements set by the CPUC.

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⁴ CPUC Resolution T-17443, Implementation of New Timelines for California Advanced Services Fund Applicants, at Appendix 4, "Broadband Infrastructure Priority Areas" (June 26, 2014)(CPUC Resolution T-17443).

VI. Conclusion

The proposed Comcast merger has far-reaching implications for the nation and significant risk to California by threatening to leave behind at an accelerating pace 25% of the population who are on the other side of the Digital Divide. These people living in low-income neighborhoods with low-performing schools facing a wall of poverty they cannot escape without purposeful intervention and focused attention by policymakers. This merger will result in 87% of all students on the National School Lunch Program, which is a proxy for concentrated and persistent poverty, residing in the new Comcast service territory. The past performance of Comcast on their affordable broadband program—Comcast Internet Essentials (CIE)—is so lackluster as to cause well-founded skepticism about future performance if regulators do not hold them accountable for achieving acceptable broadband adoption rates. Thus, the FCC should take action to produce a public benefit by requiring modifications to CIE and the commitment of resources from Comcast to ensure significant broadband adoption by low-income households which comprise one quarter of all residents in the county. The nation's ability to compete globally with a highly-productive economy depends on empowering low-income families to become connected and enabling their children to get a good education so that there is a significant increase in self-sufficient tax-paying households. CETF and 20 other community and civic leadership organizations have filed comments with five recommendations to the FCC to improve CIE. The justification and explanation for those five recommendations to improve CIE and hold Comcast accountable to increase broadband adoption among disadvantaged populations are discussed above and can be summarized as:

1. Include All Low-Income Households;

2. Set Performance Goals;

3. Capitalize an Independent Fund(s) and Coordinate with States;

4. Establish a National Advisory Oversight Committee; and

5. Require Comcast to Offer Stand-Alone Internet Service.

CETF stands ready to partner with Comcast and the FCC to make this public benefit a reality in California so we can close the Digital Divide across the nation and ensure America is globally competitive for generations to come.

Respectfully submitted,

Sunne Wright McPeak

President and CEO

California Emerging Technology Fund



The Honorable Mark Pryor Chairman, Subcommittee Committee on Communications, Technology and the Internet United States Senate Washington, D.C. 20510

The Honorable Roger Wicker
Ranking Member, Subcommittee Committee on Communications, Technology and the Internet
United States Senate
Washington, D.C. 20510

Re: Hearing on Broadband Adoption: The Next Mile

Dear Chairman Pryor and Ranking Member Wicker:

My name is Lilian P. Coral, and I serve as the Director of 2-1-1 California. Under the fiscal sponsorship of the United Ways of California, 2-1-1 California is a statewide network of local 2-1-1 information and referral providers authorized by the California Public Utilities Commission and the Federal Communications Commission to use the 2-1-1 code as an easy-to-remember and universally recognizable number that would enable a critical connection between individuals and families in need and the appropriate community-based organizations and government agencies. 2-1-1 California's mission is to develop the statewide infrastructure and support necessary to ensure quality 2-1-1 services for everyone. In California, 2-1-1 is accessible in 30 counties servicing 93% of Californians.

I am writing this letter to add additional information to the record for the Broadband Adoption: The Next Mile hearing. We were fortunate to be recipients of an American Recovery and Reinvestment Act grant through the National Telecommunications and Information Administration to focus on Broadband Awareness and Adoption and between March 2010 and June 2013 2-1-1 California through its 2-1-1 partners:

- o Provided outreach and education to 229,481 callers
- Screened and referred 59,775 callers to computer and Internet-related resources

As follow-up, 2-1-1 California through its 2-1-1 partners, conducted surveys and interviews with approximately 6% of these callers to find out whether they had participated in any computer/Internet related training classes, subscribed to broadband or received a free or low cost computer as a result of the referrals they received from 2-1-1. Based on the survey results, we estimate that:

- 7,478 households subscribed to broadband
- 4,318 adults participated in a training class
- 3,659 households received a computer
- o 4,555 children were connected to the Internet

Unfortunately, the Digital Divide continues to disproportionally impact thousands of low- income families throughout California and especially in some of our major urban centers. Based on in-depth screening and referral protocols, callers told 2-1-1 Specialists that the main reason they did not have broadband at home was that they did not own a computer (41%). The second biggest reason was cost (36%).

We believe broadband adoption is an imperative for economic prosperity, quality of life and family self-sufficiency and support the recommendations put forth by the California Emerging Technology Fund for accelerating Broadband adoption. Our Data and experience indicate that the majority of people without broadband at home do want to adopt the technology and understand the value proposition.

We think it is particularly important that there be stronger partnerships that can help community-based organizations like our own, who are trusted messengers, connect those still unconnected to truly affordable broadband options that will ensure low-income families connect, and stay connected, to broadband, to access the richness of resources and education that the internet affords.

Respectfully, Luien P. Cral

Lilian P. Coral

Director, 2-1-1 California



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November 8, 2013

The Honorable Mark Pryor Chairman, Subcommittee Committee on Communications, Technology and the Internet United States Senate Washington, D.C. 20510

The Honorable Roger Wicker
Ranking Member, Subcommittee Committee on Communications, Technology and the Internet
United States Senate
Washington, D.C. 20510

Re: Hearing on Broadband Adoption: The Next Mile

Dear Chairman Pryor and Ranking Member Wicker:

My name is Alicia Orozco, and I serve as Project Manager of the Get Latinos Connected project (GLC) of the Chicana Latina Foundation, based in the San Francisco Bay Area. The GLC project seeks to end the digital divide that keeps the Latino community from connecting to the internet, and thus fully participating in the 21st Century. We are a non-profit organization which promotes professional and leadership development of Latinas. The Foundation's mission is to empower Chicanas/Latinas through personal, educational, and professional advancement.

I am writing this letter to add additional information to the record for Broadband Adoption: The Next Mile hearing. We were fortunate to be recipients of an American Recovery and Reinvestment Act grant through the National Telecommunications and Information Administration to focus on Broadband Awareness and Adoption. With that project, were able to sign up 1,070 first-time internet users. That is 1,070 new Latino internet users. The majority of these homes have children who now enjoy access to the online world and who have improved their class work.

We strongly advocate for broadband at home and Digital Literacy training as described in the National Broadband Plan, and we are making the suggestions described in this letter with the goal of giving all Americans access to digital tools and skills to improve their lives.

While we find the Comcast Internet Essentials program to be helpful to some Bay Area families, there are several barriers that impede many more households from participating.

We recommend that:

Comcast extend its program from 2014 until 2017 and set adoption goals. As Comcast Executive Vice President David Cohen testified before your subcommittee, the company has "learned a lot over the first two years" of the three- year program. Currently, Internet Essentials is scheduled to end I June 2014. From a California perspective, where nearly half of Latino households do not have access to high-speed Internet at home, this is not the time to halt the program. Comcast is the main cable provider in the San Francisco Bay Area. We also recommend that Comcast set national adoption targets as a percentage of eligible households, and similar targets in major markets, such as the San Francisco Bay Area. In addition to disclosing adoption goals, it would be very helpful for non-profits like ours if Comcast would share information about where they are targeting the broadband offer, including providing lists of schools where students are eligible for Comcast Internet Essentials. We have been asking for the list of auto-qualified schools since the program started and we're still waiting for that list.

The online application is useless. We have yet to be able to actually use it. We've held Technology Fairs where we have set up computer banks so that they can actually sign up people for Internet Essentials, but have been unable to because the online application does not work. We keep getting bounced off.

We also have become aware of the fact that when a person calls Comcast to sign up for Internet Essentials, they are being asked how many children they have in the program. Then the Comcast agent chooses the oldest child to enroll in the program. This means the family will be "kicked out" of the program sooner, because the discount only lasts as long as the child is in school. So if an eligible family has a child in high school and another in elementary schools (both on the National Lunch program) by enrolling the high school student, the family loses several years of eligibility for Internet Essentials.

Comcast remove the 90-day requirement. Comcast will not allow low-income families who are already Internet subscribers, or have subscribed in the past 90 days, to switch to the cheaper Internet Essentials service. If a family has subscribed to the Internet as part of a Comcast bundled service, they must stop service for 90 days before they become eligible for the \$9.95 month Internet service.

Comcast increase support of local and regional digital literacy programs. Many of the families we serve need computer literacy training to take full advantages of their broadband connections. CLF has worked effectively with schools, faith-based communities, local employers, health clinics and job-training programs to incorporate digital literacy and workforce training. We would welcome additional commitments by Comcast to help fund essential training programs like these.

Comcast increase support of local and regional digital literacy programs. Many of the families we serve need computer literacy training to take full advantage of their broadband connections to the Internet. The Chicana/Latina Foundation has worked effectively with schools, churches, health clinics, job-training programs and social service providers to incorporate digital literacy and workforce training. We would welcome additional commitments by Comcast to help fund essential training programs like these.

Comcast expand the program to include low-income seniors, people with disabilities and veterans. Recent polling on home broadband use in California shows that seniors and people with disabilities adopt high-speed home Internet at significantly lower rates than other populations. Often homebound, these clients are among the most vulnerable we serve, and an affordable Internet connection would significantly improve their access to vital services and the quality of their lives.

Elected officials and policymakers should know that while Comcast has made improvements to its discounted broadband offer, the company should make Internet Essentials available beyond June 2014 and expand eligibility as described above if it desires to be a leader in closing the Digital Divide in California.

Respectfully,

Alicia Orozco

Project Manager

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The Honorable Mark Pryor Chairman, Subcommittee Committee on Communications, Technology and the Internet United States Senate Washington, D.C. 20510

The Honorable Roger Wicker
Ranking Member, Subcommittee Committee on Communications,
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United States Senate
Washington, D.C. 20510

Re: Hearing on Broadband Adoption: The Next Mile

Dear Chairman Pryor and Ranking Member Wicker:

I am writing on behalf of the Office of Community and Economic Development (OCED) at California State University, Fresno (Fresno State). Through our community-based programs, we and our partners annually help thousands of San Joaquin Valley (Valley) residents gain access to services vital to their lives, including high-speed Internet at home.

This letter is to provide input to the record for the Broadband Adoption: The Next Mile hearing. Specifically, we wish to comment on the disappointing experience we have had in trying to connect families to the Internet Essentials Program offered by Comcast. Also, we ask you to support this much-needed program by extending the program beyond the proposed June 2014 date.

Comcast is one of the largest broadband providers for rural areas of the San Joaquin Valley, one of the poorest regions of California. When first introduced, we welcomed Internet Essentials as an opportunity to connect our traditionally un-served population. However, based on the substantial hurdles our residents face when signing up for Internet Essentials, we find ourselves reluctant to support the program due to the long wait before customers can begin using the Internet at home.

The waiting period between the initial call to Internet Essentials and the application arriving in the mail is 8-12 weeks, if the letter comes at all. After submitting the application, another 2-4 weeks elapse before the equipment arrives. Many Valley residents do not have Social Security numbers and are therefore forced to drive long distances to verify identification since Comcast has closed many of its regional offices.

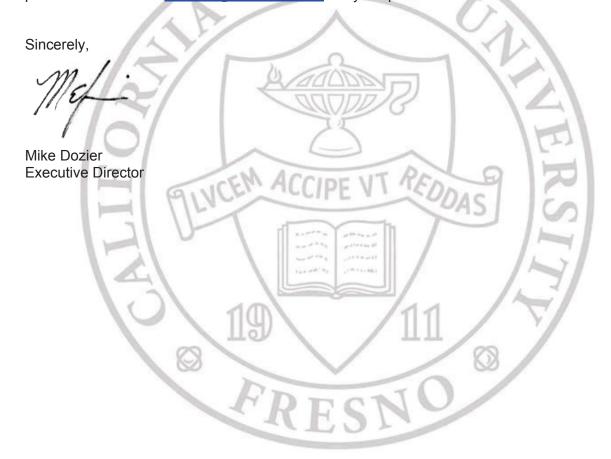
Leaders in the San Joaquin Valley have been pushing for online registration since the beginning of the Internet Essentials Program. Despite what Comcast says, the system is not working properly. The site is often unable to complete address eligibility searches and simply redirects the customer to the 1-855 number again. We understand that new systems need time to work out the bugs, but we have been trying to work with Comcast for many weeks to provide consumer feedback about the poor website operations, to no avail.

Comcast does not effectively advertise Internet Essentials in our area, so our community partners use grassroots educational campaigns to let families know about the program. Comcast also does not provide timely data to tell us which schools are undersubscribed for Internet Essentials so our partners can make best use of their resources to target un-served families for adoption.

My greatest concern, with the program scheduled to end in June 2014, is that the discounted offer will only be available for new enrollments for a few more months, leaving many Valley residents unable to take advantage of this opportunity to connect to broadband at home.

Please consider the Office of Community and Economic Development at California State University, Fresno a supporter of extending the Internet Essentials Program.

If you have any questions regarding our support of expanding the Internet Essentials Program please contact me at mdozier@csufresno.edu or by telephone at 559-294-6027.





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The Honorable Mark Pryor Chairman, Subcommittee Committee on Communications, Technology and the Internet United States Senate Washington, D.C. 20510

The Honorable Roger Wicker
Ranking Member, Subcommittee Committee on Communications, Technology and the Internet
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Re: Hearing on Broadband Adoption: The Next Mile

My name is Martin O. Gomez and I serve as Principal at Santee Education Complex based in Los Angeles. We serve 1,850 college bound students in the South L.A. community in which 100% of our students qualify for free and reduced lunch.

I am writing this letter on behalf of Santee Education Complex and our community to add additional information to the record for the Broadband Adoption: The Next Mile hearing. Unfortunately, the Digital Divide continues to disproportionally impact thousands of low- income students attending Los Angeles schools. Last year, several of those schools located in some of the most economically challenged areas in Los Angeles were invited to participate in a pilot program sponsored by Time Warner Cable (TWC), which according to the company's own estimates serves one quarter of California households.

With much national publicity, TWC announced that it would offer a low-cost broadband offer at \$9.95 for families with students participating in the National School Lunch program at 19 Los Angeles-area schools. This pilot was offered for only two months, from October 1 until November 30, 2012, and without visible outreach by TWC to promote the program. Many of us had hoped that the two-month pilot would offer valuable lessons on the enrollment process and marketing and customer service, which then would allow TWC to scale up the program to reach all students in the National School Lunch program. In fact, the pilot turned out to be a very short "limited time offer". According to the California Emerging Technology Fund, TWC enrolled just 1,200 families nationally in 500 schools.

Even more disappointing, TWC did not offer any explanation as to why they stopped the discount program completely while other cable providers in California saw the value of helping low-income families subscribe to broadband at home.

We think elected officials and policymakers should know that this is a missed opportunity for the largest cable provider in California to play a leadership role in closing the Digital Divide and achievement gap in our state.

Respectfully.

Martin O. Gomez, PhD

Instructional Leader at Santee Education Complex

See our Falcons SOAR at www.santeefalcons.org!

The Honorable Mark Pryor Chairman, Subcommittee Committee on Communications, Technology and the Internet United States Senate Washington, D.C. 20510

The Honorable Roger Wicker
Ranking Member, Subcommittee Committee on Communications, Technology and the Internet
United States Senate
Washington, D.C. 20510

Re: Hearing on Broadband Adoption: The Next Mile

My name is Luis Granados, and I serve as Executive Director of the Mission Economic Development Agency (MEDA), based in San Francisco. The Mission Economic Development Agency (MEDA) is a community-based, local economic development corporation located in the Mission District of San Francisco. For 40 years MEDA has worked to improve economic and social conditions in the neighborhood by stimulating investment, enhancing the business environment, and creating jobs for area residents, with an emphasis on the Latino community in San Francisco. MEDA engages the local community with homeownership counseling, foreclosure intervention, small business development services, financial education, free tax preparation, and technology training and workforce development.

I am writing this letter on behalf of MEDA to add additional information to the record for the Broadband Adoption: The Next Mile hearing. We were fortunate to be recipients of an American Recovery and Reinvestment Act grant through the National Telecommunications and Information Administration to focus on Access to Careers in Technology and, earlier this year the Department of Education granted MEDA a \$30 million Mission Promise Neighborhood Grant aimed at helping students at underperforming schools San Francisco.

We strongly advocate for broadband at home and digital literacy training as described in the National Broadband Plan, and we are making the suggestions described in this letter with the goal of giving all Americans access to digital tools and skills to improve their lives.

In our work with Comcast we have found the Internet Essentials program to offer high-quality, reliable broadband service to some of the people who need it most. Our clients who have subscribed are generally happy with the program. However, there are several barriers that impede many more households from participating.

We recommend that Comcast take the following steps to ensure that the maximum amount of eligible and needy families can benefit from Internet Essentials:

Extend Internet Essentials from 2014 until 2017. As Comcast Executive Vice President David Cohen testified recently before your subcommittee, the company has "learned a lot over the first two years" of the three-year program. Currently, Internet Essentials is scheduled to end



in June 2014. From a California perspective, where nearly half of Latino households do not have high-speed Internet access at home, Comcast should continue the program.

In addition, in the first years of the program Internet Essentials sign-ups were impacted as we worked with eligible families to overcome hurdles in the subscription process, challenges that resulted in damaged community confidence in the product. These hurdles included:

- *Clients receiving letters from Comcast saying that they had failed a credit check. Internet Essentials specifically advertised there would be no credit check.
- *The application process took up to 3 months far too long for clients that are skeptical about the product in the first place and have other pressing demands on their budget.
- *Initial Internet Essentials customer service representatives suggested that Internet Essentials clients could pay \$150 deposit to avoid a credit check.
- *Families were charged \$50 by the technicians that installed their modem, even though Internet Essentials guarantees free installation.

Through advocacy with Comcast and the actions of regional staff, these issues have been addressed by Comcast. However, MEDA is concerned that these issues have prevented eligible and needy families from fully taking advantage of this benefit. Due to these early barriers MEDA believes Comcast should extend the Internet Essentials program until 2017.

Comcast increase support of community-based programs. If it weren't for community-based organizations helping clients learn about and subscribe to Internet Essentials, Comcast wouldn't even have the 8% penetration it is currently reporting among eligible families. These organizations also provide critical ongoing support to subscribers, including digital literacy training. At MEDA, we spend significant resources on these support activities. We would welcome additional commitments by Comcast to help fund essential programs like these.

Comcast expand the program to include low-income individuals. Even as government and other social services are more exclusively available online, the clients they are meant to serve adopt high-speed home Internet at significantly lower rates than other populations. Low-income households, people with disabilities and seniors are among the most vulnerable we serve, and an affordable Internet connection would significantly improve their access to vital services and the quality of their lives.

Elected officials and policymakers should know that while Comcast has made improvements to its discounted broadband offer, the company should offer Internet Essentials beyond June 2014 and expand eligibility as described above if it desires to truly play a leadership role in closing the Digital Divide and achievement gap in our state.

Respectfully,

Luis Granados