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VIA E-MAIL and ECFS

October 15, 2014

Julie Veach (Julie.Veach@fcc.gov)
Wireline Competition Bureau
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

**Re: CenturyLink Broadband Adoption Program Semi-Annual Report
WC Docket No. 10-110**

Dear Ms. Veach:

Pursuant to the Federal Communications Commission's *Memorandum Opinion and Order (MO&O)* released March 18, 2011 in WC Docket No. 10-110, Appendix C, item II.E, CenturyLink is filing its Semi-Annual Report on its Broadband Adoption Program's progress.

As set forth in the *MO&O*, CenturyLink committed to report "on the Adoption Program's progress every six months after the start of the Adoption Program, for the next five years (*i.e.*, a total of ten reports)." This is the sixth report. CenturyLink also committed to evaluate the effectiveness of its Promotional Program, in consultation with an independent researcher, on an annual basis. The attached Report also fulfills these commitments.

The Broadband Adoption Metrics chart presents a snapshot of CenturyLink's Adoption Program, as of September 30, 2014. Attachment A evaluates the effectiveness of the Adoption Program, in consultation with an independent researcher, VisionTech360 Inc. The independent researcher's report is provided as Attachment B.

Sincerely,

/s/ Melissa E. Newman

Enclosures

Copy via email to:

Alexis Johns (Alexis.johns@fcc.gov)
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BROADBAND ADOPTION METRICS

As of September 30, 2014

Metrics to be reported semi-annually to the FCC:	Preceding 6-month Period April 1, 2014– September 30, 2014	Cumulative October 1, 2011 – September 30, 2014
<ul style="list-style-type: none"> ■ Total qualifying customers who purchased broadband under discount program, by speed tier <ul style="list-style-type: none"> ■ Qualifying customers who purchased up to and including 1.5M ■ Qualifying customers who purchased up to and including 5M ■ Qualifying customers who purchased speeds higher than 5M ■ Qualifying customers who purchased computers under discount program 	10,319	61,672
<ul style="list-style-type: none"> ■ Number of training programs and demonstrations held 	2,747	27,536
<ul style="list-style-type: none"> ■ Number of people attending training programs and demonstrations 	1,444	8,061
<ul style="list-style-type: none"> ■ Number of training DVDs and CDs shipped 	6,128	26,075
<ul style="list-style-type: none"> ■ Number of enrolled customers who continue to subscribe to CenturyLink broadband service following expiration of their participation in the Adoption Program 	278	2,877
<ul style="list-style-type: none"> ■ Total broadband adoption in the combined territory (residential) 	4 ¹	132
<ul style="list-style-type: none"> ■ Total cost to the company of the Adoption Program 	20	2,746
<ul style="list-style-type: none"> ■ Number of qualifying customers who discontinued CTL or Q broadband service 	Not applicable/ CDs and DVDs were not used	Not applicable
	13,975 (of 39,233)	13,975 (of 39,233)
	23.1%	23.1%
	\$702,653	\$5,925,419
	7,458 ²	26,943

¹ It should be noted that the commitment to provide training sessions was limited to two years and capped at 100 sessions, which number was exceeded by more than 30%.

² See VisionTech360 Report at 4 for explanation of high speed services.

ANNUAL EVALUATION OF CENTURYLINK'S PROMOTIONAL PROGRAM

The CenturyLink Adoption Program, branded *Internet Basics*, was launched in October 2011. CenturyLink has now completed its third full year with the program, which has evolved into a targeted program that has incorporated and benefitted from the lessons learned throughout the life of the program.

CenturyLink's earlier semi-annual reports described the variety of tactics used to meet the Adoption Program's objectives of customer education, promotion and customer training regarding the availability and uses of broadband. These tactics have included direct mail campaigns, newspaper advertisements, press releases, distribution of flyers, training classes, close collaboration with local partner organizations, and promotion through CenturyLink's website. This report describes the tactics that have been employed over the past six months. As required in the *Merger Order*, this report also evaluates the effectiveness of the Adoption Program, in consultation with an independent researcher, VisionTech360 Inc., and identifies ways that the program might be modified in the future to improve its effectiveness.

As now implemented, CenturyLink's Adoption Program employs a targeted focus on promoting an Internet program that reaches a broad section of consumers across its service area. During the life of the program, CenturyLink has contacted over 1,100 local community organizations to hold events or distribute educational materials regarding the benefits of broadband service; engaged in extensive promotion of the program through advertisements, press releases, and flyers, utilized a robust direct mail campaign, provided extensive telemarketing and website information; and held 132 in-person customer training sessions in 36 states, with more than 2,700 participants. As a result of the program, more than 61,600 low-income customers have subscribed to CenturyLink's discounted broadband service,¹ and nearly 2,800 have been able to purchase discounted computer equipment.

As anticipated in the *Merger Order*, CenturyLink's Adoption Program incorporates an iterative process. CenturyLink is continually evaluating the effectiveness of particular activities, modifying tactics to improve their effectiveness and developing new approaches to education, promotion, and training. Through its consultation with VisionTech360 Inc., CenturyLink is exploring additional modifications and initiatives to build on the success of the program and bring the benefits of broadband to more consumers.

I. Outreach to Local Community Organizations

Commitment: CenturyLink will coordinate with at least 200 local community groups, such as Boys & Girls Clubs and senior centers, as well as schools, libraries, and other state and local institutions, especially those that support qualifying customers, tribal partners, and non-profit institutions, to develop and distribute educational materials that describe the uses and benefits of broadband capability.

¹ As of September 30, 2014, 26,943 Internet Basics subscribers had discontinued their discounted broadband service, resulting in 34,729 Internet Basics subscribers at the end of the second year of the Program.

Tactics: Although CenturyLink has exceeded this commitment during the first three years of the program, Internet Basics continues to be integrated into CenturyLink’s local operating model through its regional operations teams. The local operations teams offer educational and promotional programs on Internet Basics at community levels in both rural and urban markets. As part of that comprehensive process, CenturyLink uses a variety of approaches with local and community-based external partner organizations to promote the Internet Basics Program to a wide variety of diverse demographic groups. This includes employee participation in panel discussions, meetings with local elected officials, conferences on education and economic development and community events. CenturyLink manages an online internal portal that provides its employees access to Internet Basics educational materials, marketing collateral, a Q&A document and other information that will enable employees to share program details with those who may qualify for the services within their communities. In total, CenturyLink has worked with more than 1,100 individual organizations, providing speakers and informational materials explaining the value of broadband capability and the availability of discounted broadband service and computer equipment through CenturyLink.

CenturyLink has continued to improve its informational and promotion-based “toolbox” to increase and target outreach efforts to low-income schools and other community organizations within the CenturyLink service footprint.² The toolbox includes flyers, posters, banners and letters for school and program administrators to use within the school systems or community organization. This material has been revised annually to reflect the many ways in which use of the Internet and computer can empower people economically, socially, educationally, culturally and physically. The goal is to bring education and awareness that the Internet is no longer a luxury, but rather a necessity in every household to consumers through the use of many local voices within their communities, schools, and social service organizations.

Evaluation of Effectiveness/Lessons Learned: As discussed in the VisionTech360 report, the lack of perceived relevance of broadband continues to be the number one barrier to broadband adoption across all of CenturyLink’s business regions.³ The education provided through CenturyLink’s outreach to local community organizations directly addresses this barrier to adoption. Because public libraries have become the one-stop partner for computer and Internet training, CenturyLink refers consumers seeking more information on training to local libraries. However, the company is aware that a large segment of consumers within its service areas are not digitally-ready for Internet or online use. This is especially the case among many older consumers. Many who have access to the Internet lack the confidence needed in utilizing the computer or in finding information online. In an effort to address this issue, CenturyLink created an Internet Basics video and collateral that depicts the many uses of the computer and Internet as well as with images that include older Americans using the technology. The video is shared with external audiences on YouTube at www.youtube.com/watch?v=XjXhr05RID0 and on the CenturyLink Intranet page

² See Exhibit 1.

³ VisionTech360 Report at 8 (Attachment B).



for internal employees as well as with those employees who work with local media and community-based organizations to assist in communicating the benefits of a broadband connection.

CenturyLink's work with more than 1,100 local community organizations during the Internet Basics Program has enabled wide dissemination of educational materials describing the uses and benefits of broadband capability. VisionTech360 also found that the interaction of CenturyLink's Market Development Managers ("MDMs") with these organizations has significantly increased sales of discounted broadband services to qualifying low-income customers. Partner organizations play an important role in providing local context for outreach and engagement.⁴ The MDMs who are most effective in promoting these aspects of the program are those who have previously developed relationships with relevant local organizations. Examples of these outreach programs include:

- On a Saturday in October 2013, at Blix Elementary School in Tacoma Washington, CenturyLink partnered with the non-profit organization Helping Link and presented Internet Basics in Vietnamese at a community meeting. Over 300 people were at the event and 160 were in attendance during CenturyLink's presentation.⁵
- In April 2014, CenturyLink presented the Internet Basics workshop using sign language for the Abused Deaf Women's Advocacy Service.⁶
- In July 2014, at the East End Elementary School in Robersonville, North Carolina, CenturyLink partnered with the Kramden Institute, a non-profit organization that refurbishes donated computers and distributes them to students in need, to distribute computers to students and introduce them to the Internet Basics program.⁷
- In July 2014, CenturyLink issued a News Release providing information on the Internet Basics program and its goal to reduce broadband cost barriers for economically-disadvantaged consumers, including older Americans.⁸
- In Ogden, Utah, CenturyLink and Cottages of Hope, a nonprofit organization with the goal of creating paths to prosperity, offered Computers 101, a free, self-paced one-on-one computer tutoring program in conjunction with the Internet Basics program.⁹

⁴ *Id.* at 6-8.

⁵ *See* Exhibit 2.

⁶ *See* Exhibit 3.

⁷ *See* Exhibit 4.

⁸ *See* Exhibit 5.

⁹ *See* Exhibit 6.

- In October 2014, CenturyLink announced that it has agreed to enroll UPSTART (Utah's state-funded, in-home preschool program) participants in its Internet Basics program.¹⁰

As illustrated above, the MDMs have found that working with local communities in sponsorship activities (sponsoring summer reading programs at libraries, hosting a senior Internet training and computer give-away, providing give-aways at back-to-school events, partnering with local businesses, etc.) helped to provide the type of goodwill and program awareness that is most effective. The local employee team continued to look for those unique outreach efforts that connected them to communities and to people.

II. Promotional Plan

Commitment: CenturyLink will develop a meaningful promotional plan targeted to publicizing the availability of discounted broadband services and equipment to qualifying customers. CenturyLink will use at least 500 different media outlets (which may include radio and television stations, newspapers and magazines, on-line bulletin boards and web sites, libraries and social service agencies). CenturyLink will spend at least \$1 million per year promoting the Adoption Program throughout the combined territory in each of the first six years following the Merger Closing Date.¹¹

Tactics: Again, CenturyLink has exceeded this commitment many times over, promoting the Internet Basics Program through advertisements, press releases, flyer distributions, website updates, direct mailings, and telemarketing campaigns, as well as through the contacts with local community organizations discussed in the previous section of this report.

Ads, Press Releases and Flyers - During the 2013-2014 program year, CenturyLink placed 2,115 ads in 1,840 different papers in 43 states. The advertisements described both the Internet Basics Program and Lifeline discounts available for voice services. These advertisements continued throughout the program year in all states where CenturyLink provides local service. CenturyLink also distributed more than 3,028 press releases and 165,000 flyers.

- **Website Updates** - A webpage dedicated to the CenturyLink Internet Basics offering, <http://www.centurylink.com/home/internetbasics/?rid=internetbasics>, was created and has been continuously available on the company's website since October 2011. The link has been provided on flyers, direct mailers, door hangers, in classroom materials, and in press releases and media advertisements.

In 2014, CenturyLink reviewed the applications for Internet Basics service that are available on the website. Changes were made to reflect the updated Federal poverty

¹⁰ See Exhibit 7.

¹¹ The original commitment was for five years. The commitment was extended for one year in the Consent Decree adopted by the Commission's Order of May 21, 2013, in DA 13-1070 (28 FCC Rcd 6918).

levels for customers who qualify on the basis of income. Beyond that, CenturyLink maintained the format of the applications that had been introduced in 2013. This format has just two versions, replacing individual applications for each state. Both versions of the application are available in Spanish, making a Spanish language application available in all states that CenturyLink serves.¹²

- Direct Mail – Effective October 2013, CenturyLink initiated a direct mail campaign utilizing postcards and self mailers to reach the various demographic groups to whom the program is targeted. The campaign was directed to approximately 1.6 million existing and potential CenturyLink customers. CenturyLink also created bilingual versions of the Internet Basics postcard that began mailing in October 2013 to existing self-identified CenturyLink Spanish language customers. In April 2014, CenturyLink targeted existing CenturyLink Voice subscribers with a bundled CIB and DirectTV (“DTV”) message. CenturyLink Internet Basics only DM (\$9.95/month 1.5M HSI message) provided more High Speed Internet sales than the HSI + DTV bundled message. The bundled creative was replaced with the higher performing CIB only message in July 2014.

Between October 1, 2013 and September 30, 2014, CenturyLink spent more than \$1,090,000 promoting the Adoption Program.

Evaluation of Effectiveness/Lessons Learned

As noted above, CenturyLink has engaged in a variety of promotional activities. This multi-pronged approach is intended to ensure both a wide dissemination of information about the program through newspapers, the company’s website and other media outlets, along with more targeted distribution of information to qualifying customers.

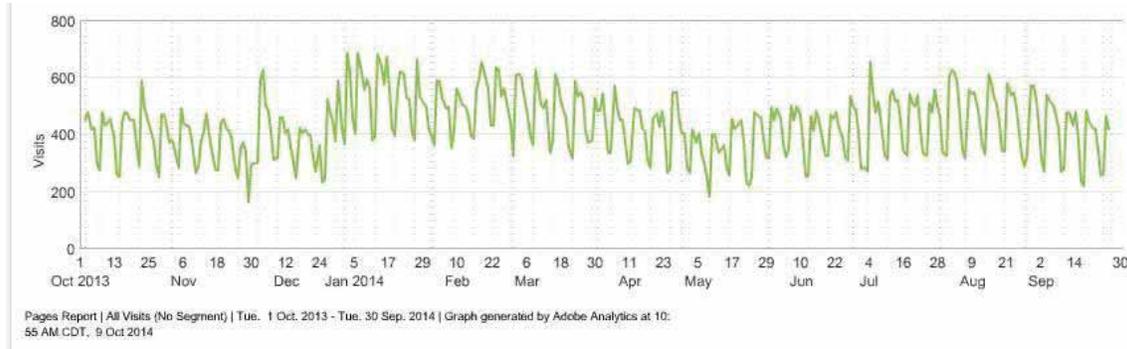
- Ads, Press Releases and Flyers - With ads in nearly 2,000 newspapers and the distribution of over 600 press releases and 5,000 flyers to local media outlets and through community-based organizations during the 2013 – 2014 year, CenturyLink continues to promote the program to a broad and diverse audience of potential adopters.

During the third year of the program, CenturyLink’s communications team implemented a collateral refresh of CenturyLink’s Internet Basics materials to include a more ‘humanized’ look and feel as opposed to just another service offering focused on the price point.

In addition to a new “general” campaign for the CIB program, CenturyLink created several “sub-campaigns” to accommodate the various demographic groups to whom the program is targeted. Those groups include seniors, Latinos/Hispanics, Asians, African-Americans, American Indians and Caucasians. This new creative refresh was also applied to the “Back to School” campaign tactics, to the CIB video and to local market outreach and promotions.

¹² See Exhibits 8 and 9.

- Website Updates - CenturyLink also made various modifications to improve its web-based outreach. After the Internet Basics website page was launched in October 2011, changes were made in late 2011 and in February 2012, to make it easier for qualifying customers to find information on the Internet Basics Program from CenturyLink's home page or from the residential High Speed Internet product page. The CIB applications and collateral are reviewed annually. Updates are made as necessary to keep the information current. Through September 2014, CenturyLink continues to see consistent interest in the website as measured by the number of hits on the webpage.



Direct Mail – As noted in the VisionTech360 report, even with the extensive resource commitment and strategic attention to the program by the Company, the overall impact in terms of number of people impacted is modest when compared to the local marketing outreach efforts made through non-profits and local community agencies.

Training – After meeting its Customer Training commitments, the Company chose to continue targeted training efforts as another tactic for promoting the program.

III. Customer Training

Commitment: CenturyLink will make available in-person training demonstrations at local anchor institutions, and develop and distribute materials such as DVDs with each computer, to assist consumers in basic computer skills, Internet browsing, and acquiring and using broadband services. CenturyLink will spend \$1 million on training over the first two years following the Merger Closing Date, and will conduct 100 in-person training sessions and be responsive to requests for training at locations across the combined territory in the first two-year period.

Tactics: During the first two years of the program, CenturyLink held 123 training sessions in 36 states. The company used a variety of training approaches to accommodate the needs and training resources available in any given market. In some cases, sessions were led by CenturyLink employees; others were led by external partner organizations. Some sessions were advertised to the general public; others were presented to particular organizations.

To determine the effectiveness and relevancy of the training, attendees were asked to complete an optional brief survey. The survey included questions relating to experience with the Internet, demographics, and the attendees' opinion of the training.

During the first two years of the program (October 2011 through September 2013), CenturyLink spent \$1,017,924 on customer training.

During its third year of the program, CenturyLink became more aware of local libraries' support of digital literacy. Their workforce development training programs, online job resources, and technology skills training have become a key part of the services that they offer to the public. Libraries enable a local partnership that provides free public access that is available in all counties within CenturyLink's service areas.

Evaluation of Effectiveness/Lessons Learned: CenturyLink's customer training sessions were well attended. Feedback from attendees suggested that the training helped them to recognize the value of the Internet, feel more comfortable using a computer and become aware of the discounted broadband service and computer equipment available through CenturyLink. Even though the company met its commitment to provide training during the first two years of the program, CenturyLink still supports the effort by referring interested consumers to local libraries or by arranging to participate in local training sessions.

The curriculum for CenturyLink's training sessions includes information demonstrating the relevance of broadband, as well as how to use a computer and access the Internet. As noted by VisionTech360, the independent researcher, a one-size fits all approach is not effective.¹³

CenturyLink's experience with customer training indicates that the customers' needs can vary greatly by market and age demographic. For example, a well-attended training session in Seattle for senior Chinese-speaking participants required the teaching of very basic computer skills and Internet usage. However, in other training sessions, some English-speaking seniors requested more advanced training beyond the basics.

¹³ VisionTech360 Report at 8-9 (Attachment B).