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December 23, 2014

**VIA ELECTRONIC FILING**

Chairman Tom Wheeler  
Commissioner Mignon Clyburn  
Commissioner Ajit Pai  
Commissioner Jessica Rosenworcel  
Commissioner Michael O'Rielly  
Federal Communications Commission  
Office of the Secretary  
445 12th Street, S.W.  
Washington, DC 20554

Re: ***In the Matter of Applications of Comcast Corp. and Time Warner Cable Inc. for Consent to Transfer Control of Licenses and Authorizations, MB Docket No. 14-57, Reply to Responses/Oppositions Submitted by the City of Santa Maria, CA***

Dear Mr. Chairman and Commissioners:

This letter is submitted on behalf of the City of Santa Maria, California to urge the Commission, if it decides to approve the proposed merger transactions, to adopt appropriate conditions that benefit and protect consumers in rural communities like ours. Santa Maria is a city of about 100,000 residents located in the central coastal region of California between the City of Santa Barbara and the Central Valley. It is vital to the future prosperity of our community that its residents obtain access to the information, technology, and tools needed to succeed in today's highly competitive society.

Santa Maria residents are served by one cable operator, Comcast, which is transitioning to a state-issued cable franchise in our community at the end of this year. As an existing Comcast community, the City shares its perspective on some of the conditions of the Comcast-NBCUniversal (NBCU) merger approval that may be extended as conditions of Comcast's proposed merger transaction with Time Warner Cable. Our goal is to assist the Commission to develop appropriate conditions for this latest Comcast merger.



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**PEG On Demand**

The NBCU merger recognized the importance of ensuring PEG could take advantage of technological advances like on-demand availability on a variety of platforms. One of the NBCU merger conditions that very much interested the City of Santa Maria was PEG Condition XIV.4 requiring Comcast to develop a platform to host PEG content On Demand and On Demand Online within three years of the closing of the NBCU merger transaction. The Commission's Order described the purpose of the condition as intended to "enhance localism and strengthen public access, educational and governmental programming," two important goals for the City of Santa Maria and its residents.

Santa Maria Community Television (SMCTV) operates three PEG channels: a government channel, an educational channel, and a public access channel. These channels carry local programming such as City Council meetings, and English and Spanish language educational programming on topics like healthy living and foreclosure prevention. The continuing existence of these PEG channels – which are uniquely focused on community issues and interests specific to Santa Maria – is particularly important in light of the fact that the commercial broadcast stations operating in the area devote their time and resources to serve multiple communities in a broad geographic region including Santa Barbara, Santa Maria, San Luis Obispo, and other communities along the California central coast. Thus, the City wholeheartedly shares the Commission's view that having platforms to host On Demand content from SMCTV would both enhance localism and strengthen public access.

In Comcast's Opposition/Response filed in this docket, Comcast reported that "The trial was successful across the board, offering particular benefits from online access to PEG content."<sup>1</sup> Though SMCTV was not selected to participate in the Comcast trial, a nearby Central Valley community, CMAC (Fresno Community TV), was one of the pilot cities. The City understands that their experience was not entirely positive. Apparently, Comcast hired a local ad agency to administer the On Demand Online website and that agency solicited programming not just from the access channel producers, but the community at large. In the end, CMAC's members did not do much placement on the website.

In any event, the City anticipated that if Comcast reported a successful trial it would be followed by a broader roll out. Comcast's filing is ambiguous on this point. It says: "Given these results, Comcast has agreed to continue to work with interested communities to explore new

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<sup>1</sup> Comcast Opposition to Petitions to Deny and Response to Comments (filed September 23, 2014) at page 298.



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opportunities to place local content on an Online On Demand platform.”<sup>2</sup> As an interested community, the City asked its Comcast contact about expanding the program to Santa Maria, and was told there weren’t any plans to expand the pilot to other communities at this time. CMAC also indicated to the City that Comcast had not supplied that organization, a participant in the pilot, with any information about what was next.

The City urges the Commission to require Comcast to expand the program throughout its footprint, or at the very least, to any communities in its footprint that express an interest in participating. Comcast’s comments seem to suggest the Online On Demand platform is preferable to a video on demand solution. Assuming that were true, Comcast should agree that PEG support may be used to distribute PEG programming via traditional channels and via non-traditional platforms, to allow PEG funding to be used for operating support and not just for capital purposes, and to ensure that consumers can access PEG programming via any Comcast platform without additional charges or equipment. Such conditions – including allowing PEG funding to be used for operating support – would go a long way to enhance localism and strengthen public, educational, and governmental programming.

**Internet Essentials**

The City of Santa Maria is predominantly Hispanic, more than one third of its residents are foreign-born, and nearly two thirds of its residents speak a language other than English at home. The City also has a lower percentage of high school graduates and a higher poverty level than the California average.<sup>3</sup> Research shows that these are among the groups with the lowest rates of broadband adoption in California.<sup>4</sup> A low cost Internet service program should do well here. Yet, Santa Maria’s direct experience with the Internet Essentials program is fairly limited. The City is aware that Comcast distributed flyers but the program results were not reported to the City. There has been little effort by Comcast to coordinate this program with local school efforts to introduce tablets for student use. In the City’s view, the Internet Essentials program can serve an important role in bridging the digital divide, but only if it is made more effective. To that end, the City supports the filings of other local government commenters who have called for changes

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<sup>2</sup> *Id.*

<sup>3</sup> For more information and statistics about the City of Santa Maria, see the Government Census Summary available at: <http://quickfacts.census.gov/qfd/states/06/0669196.html> (last accessed December 18, 2014).

<sup>4</sup> See California Emerging Technology Fund, The Field Poll, July 8, 2014, page 2. Available at: <http://www.field.com/fieldpollonline/subscribers/RIs2476.pdf> (last accessed December 18, 2014).



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to the Internet Essentials program. The City requests that the Commission seriously consider requiring the following program improvements:

*Expand Program Eligibility to Broader Groups.* The program should be available to anyone, without regard to income level and without a requirement for a significant deposit or payment by means that might not be a practical option for a lower income person. There are obvious advantages to the residents of the City in Comcast making the service available to anyone as a regular part of the company's offerings. For example, workforce education and development are key to the City's growth and future, and high-speed internet connectivity is essential for success in the modern economy. Charges that would tend to make the program ineffective would include high installation charges; significant service deposits tied to income or creditworthiness; and data caps that would result in significant and unexpected overcharges for ordinary usage. If an income test is maintained, the test should not be tied solely to eligibility for the school lunch program, particularly given the growing importance of Internet access to anyone applying for jobs or government assistance. It should be sufficient if a person seeking to take advantage of the program is enrolled in any public assistance program, including the federal Supplemental Nutritional Assistance Program or similar state programs. Where there is an easy way for the company to verify eligibility, it should do so. The Commission should provide "best practices" to effect the above.

*Include Wi-Fi Capability.* A Wi-Fi component would coordinate better with school efforts to roll out tablets for student use. In addition, lower income users may rely primarily on mobile devices to access the Internet, or may not have access to laptop or desktop computers. Other commenters have called for a Wi-Fi component, and Comcast's response was that the modems Comcast provides "are compatible with ... Wi-Fi routers that enable the use of tablets and other wireless devices, and Comcast does not restrict Internet Essentials customers from attaching such devices."<sup>5</sup> The problem with this response is that it assumes the customer is knowledgeable about Wi-Fi routers, and puts the onus on the customer to obtain and set up a wireless router at additional cost. This creates additional hurdles to obtaining useful Internet access under the program. Thus, the City believes the Internet Essentials program ought to include a Wi-Fi component. At a minimum, the City would like to see Comcast make its Wi-Fi hotspots available to users of the Internet Essentials program.

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<sup>5</sup> Comcast Opposition to Petitions to Deny and Response to Comments (filed September 23, 2014) at page 56, footnote 125.



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*Improve Internet Speeds.* The Internet Essentials upstream and downstream speeds should increase at no extra charge over time, just as Internet speeds offered by Comcast for other Internet service levels increase at no extra charge. The service also should not be subject to terms or conditions that make it of limited utility or that expose the user to unexpected charges. As a starting point, a 5x1 speed may be adequate, although the price should be closer to \$5 than \$10.

*Better Coordinate With Local Communities.* Comcast should expand the awareness of and the capabilities of the Internet Essentials program so that it is a more substantial Internet offering for children, students, parents, and educators. For example, Comcast should work with community institutions, including the City government, schools, and libraries, to encourage enrollment in Internet Essentials. It should deploy and help develop filtering tools and educational resources that make it practical for parents, educators, and community institutions to ensure a safe online experience and to limit Internet use in appropriate circumstances. The reach of the program could be expanded if Comcast were to commit to work with schools and other public institutions to develop digital-education resources (such as those materials available through initiatives like Digital Citizenship<sup>6</sup>) and filtering tools that could be easily implemented for devices distributed to students by, or made available to them at, public institutions. Incorporating a filtering tool option as part of the ordering process may also make the program more attractive to parents who wish to have Internet access for educational purposes, but may have concerns about unfiltered access to the Internet. Comcast should commit to providing these filtering tools and educational resources to educators, parents, and students in perpetuity.

*Expand Free Public Internet Locations.* To ensure that there is an immediate improvement in the reach of the Internet Essentials program, Comcast should be required to expand the number of public locations to which it provides free Internet services. Comcast should provide a high-speed connection (equivalent to their highest commercial offering) to libraries, schools, and community centers, as well as ongoing support and upgrading to the latest standards at no cost to the foregoing. This would provide a meaningful community-based supplement to e-rate Internet availability.

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<sup>6</sup> <http://www.digitalcitizenship.net/>



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This merger should be carefully reviewed by the Commission, and should only be approved subject to meaningful conditions that serve the public interest.

Sincerely,

/s/ Gail A. Karish

Gail A. Karish

BEST BEST & KRIEGER LLP

*Counsel for the City of Santa Maria, California*

GAK:sr