



January 25, 2015

Ex Parte Filing

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission (FCC)
445 12th Street, SW
Washington, DC 20554

RE: Applications of Comcast Corporation and Time Warner Cable Inc. for Consent to Assign or Transfer Control of Licenses and Applications, MB Docket 14-57

Dear Ms. Dortch:

On January 22, the California Emerging Technology Fund (CETF) delegation made a presentation to Jonathan Sallet, General Counsel and Chair, FCC Merger Oversight Steering Committee, Julie Veach, Chief, Wireless Competition Bureau, Member, FCC Merger Oversight Committee, William Dever, Wireline Competition Bureau, Paul LaFontaine, Office of Strategic Planning and Analysis, Jessica Campbell (via telephone), Industry Analysis Division, Media Bureau. The CETF delegation consisted of CETF President and CEO Sunne Wright McPeak, outside legal counsel Rachele Chong, Director of Communications Mary Anne Ostrom, Chicana/Latina Foundation Executive Director Olga Talamante, and EveryoneOn CEO Zach Leverenz.

CETF emphasized it does not support or oppose the Comcast Time Warner merger, but should it be approved, the FCC should secure tangible public benefits for consumers. CETF advocated the following recommendations: (1) ensure acceptable Comcast Internet Essentials (CIE) performance, including an improved sign-up process, better advertising including in languages spoken by the target population, and less restrictions on eligibility; (2) expand eligibility to include all low-income households; (3) set specific performance goals; (4) Comcast should capitalize a fund to be administered by an independent third party to fund outreach and actual sign-ups of eligible low income subscribers by community-based organizations (CBO's) to the target population; (5) require coordination with State agencies; (6) establish an independent advisory oversight committee; (7) require Comcast offer stand-alone Internet service. Two community partners gave recent examples of difficulties of working with Comcast's Internet Essentials programs, including a poor online sign-up process, delays in the computer equipment arriving, failure to advertise in-language during hours when people are awake, and difficult eligibility requirements that disqualify many low income persons.

The CETF written presentation included these points:

A Quarter of the Population is Not Connected

- 25% of U.S. households do not have high-speed Internet access at home, They are stuck on the other side of the Digital Divide up against a “wall of poverty.” Affordable broadband is an integral component of a comprehensive approach to tackle concentrated and persistent poverty.
- There is ample evidence that being connected enables low-income households to become more self-sufficient. Technology is empowering and transforming. It is a necessity in a Digital World—a 21st century civil right.
- A successful broadband adoption program for low-income households must address three barriers: cost, relevance, and digital literacy.

The Comcast Track Record with Internet Essentials Program

- Three years ago, Comcast proposed Internet Essentials as a public benefit to secure approval to purchase NBC Universal. The burden is on Comcast to improve it and make it work.
- There are several problems with implementation of Internet Essentials:
 - The sign-up process is long, often burdensome, and has several glitches, which discourages applicants.
 - Advertising is inadequate to reach the target populations. It should be in the language of the target population, and aired during hours when people are awake. The way to reach Comcast to sign up should be a phone number and not a website, given the target population is not connected to the Internet.
 - The Comcast Internet Essentials program currently addresses primarily only one barrier: cost.
 - There is insufficient investment in experienced CBOs who are “trusted messengers” in a target community to reach the target populations and to address other two barriers: relevance (outreach and specialized media) and digital literacy (training and devices).
 - There is no accountability for performance and little transparency.
- In three years Comcast has signed up only 14% of its stated eligible population. There must be a more focused effort to achieve an acceptable performance level of 45% of the eligible population.

Comcast and Charter Will Have Major Markets in 26 States and District of Columbia

- Comcast: Greater than 50% market share in 16 States and DC (87% California).
- Charter (and successor companies): Greater than 50% in 4 States.
- Comcast and Charter: 2 States (Indiana 70% and Washington 87%).
- Comcast and Charter will have 52% of students eligible for NSLP (87% California).
- There are almost three times as many other low-income households without children in school as there are families on NSLP.

5 Recommendations to Make Internet Essentials Work

1. Include All Low-Income Households
 - Extend IE to all low-income persons: seniors, people with disabilities, and veterans.
 - Require a wireless modem to be compatible with most school devices.
2. Set Performance Goals
 - Increase subscriptions to 45% of eligible households in 2 years.
 - Continue IE until adoption rate is 80% by any ISP in low-income service areas.
3. Capitalize Independent Fund(s) and Coordinate with States
 - Establish an independent fund in each major market state with a plan to close the Digital Divide (multi-state fund for others) to support CBOs (including libraries and schools) increase broadband adoption.
 - Align State strategies and resources to accelerate broadband adoption.
 - Contribute at least \$700 million nationwide (\$150 million -\$162 million in California).
 - Select fund managers by state agencies through an open competitive process and award grants based on performance (documented broadband subscriptions).
 - Foster a sincere and effective public-private partnership between Comcast and community partners.
4. Establish a National Oversight Committee
 - Include Comcast executives, federal departments, stakeholders and experts.
 - Ensure transparency and accountability for results.
 - Establish a mechanism to engage other strategic partners and coordinate resources.
5. Require Stand-Alone Internet Service Be Offered

Growing Support for 5 Recommendations to Secure Substantive Public Benefit

- ✓ 119 organizations have endorsed the five CETF Recommendations.
- ✓ 45,000+ unduplicated individuals have sent 115,000+ messages to FCC.

Sincerely,

/s/ Rachelle Chong

Rachelle Chong
Outside Legal Counsel
California Emerging Technology Fund