July 11, 2014

Chairman Tom Wheeler
Commissioner Mignon Clyburn
Commissioner Ajit Pai
Commissioner Jessica Rosenworcel
Commissioner Michael O'Rielly
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Comcast-Time Warner Cable
Docket #14-57

Dear Chairman Wheeler, Commissioner Clyburn, Commissioner Pai, Commissioner Rosenworcel, and Commissioner O'Rielly:

> **"Every American should have affordable access to robust broadband service, and the means and skills to subscribe if they so choose."**
> **— National Broadband Plan, 2010**

The Federal Communications Commission (FCC) set forth a bold vision to empower all Americans with high-speed Internet access in the National Broadband Plan. Yet, four years later, too many people in California and across the nation still live without high-speed Internet access at home. The California Emerging Technology Fund (CETF) and undersigned broadband champions have been working with federal, state and regional leaders in collaboration with more than 100 community-based organizations to close the Digital Divide in California.

California has a broadband adoption goal of 80% home use by 2017, with no single group below 70%. While our focused effort has resulted in significant progress in connecting the poorest Californians, the latest statewide survey shows that California is falling short. According to the 2014 Annual Statewide Survey conducted by the Field Research Corporation, fully one-quarter of California households do not have high-speed Internet at home. About half of households with Spanish-speaking Latinos or earning under $20,000 a year do not have home broadband access.

Federal law says there must be a finding of public benefit to approve the proposed Comcast acquisition of Time Warner Cable and exchange of service territory with Charter Communications. This review process provides an opportunity for the FCC to hold Comcast accountable to improve its Internet Essentials program and achieve acceptable performance. Comcast launched Internet Essentials, a $9.95-a-month broadband plan plus a $150 computer voucher for families of students eligible to receive free or reduced school lunch, to secure federal government approval to purchase NBC Universal in 2010. However, the current program threatens to leave millions of the very Americans who could benefit most without an affordable connection to the Internet.

In 3 years, Comcast has signed up only 11% of the eligible households in California and the nation. That is 35,205 households in California out of more than 313,000 eligible families. At that rate, it would take another decade for Comcast to reach just half of the currently-eligible population. Further, conservative analysis indicates that if the acquisition is approved, an estimated 1.375 million California households (more than 3 million K-12 students—87% of all California students qualifying for free and reduced lunch) would be eligible for Internet Essentials in the new combined service territory of approximately 3.7 million households (including Charter Communications subscribers whom Comcast intends to acquire in a swap if the acquisition is approved.)

As you consider whether or not to approve the Comcast corporate consolidation, we strongly recommend the following requirements:

1. **Include All Low-Income Households**: Extend Comcast Internet Essentials to all low-income households, not just those with school children. For example, low-income seniors, people with disabilities and recently returned veterans are not covered today. According to 2014 Annual Statewide Survey, 6 in 10 of those who do not use the Internet at home suggested they might be interested if they had access to affordable broadband and equipment and the skills to use it.

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 2 years, and to continue the program until 80% adoption is achieved in low-income neighborhoods in each major market within the combined service areas.

3. **Capitalize an Independent Fund and Coordinate with States**: Work through and collaborate with states that have an adopted plan to close the Digital Divide. In states such as California that are major Comcast-TWC markets <u>and</u> have a strategic plan to close the Digital Divide, require Comcast to dedicate a sufficient amount to an independently-managed fund to engage experienced community-based organizations to assist in achieving the 45% subscription sign-ups and overall 80% adoption rate.

4. **Establish an Advisory Oversight Committee**: Establish a national advisory oversight committee for Internet Essentials to provide feedback and input to the FCC in monitoring performance and progress. In the first 3 years, the program has been riddled with problems, including 8-12 week waits before getting service, credit checks on customers in violation of advertised program rules, a non-working online sign-up system, and customer representatives who give out wrong or inconsistent information. The oversight committee should be diverse, and include senior executives from Comcast, regulators, state officials, experienced non-profits with a mission to close the Digital Divide and a track record of accomplishment, and consumer representatives. The oversight committee should meet regularly to ensure accountability for performance.

5. **Offer Stand-Alone Internet Service**: Offer consumers the opportunity to purchase stand-alone Internet access at a reasonable rate. If the acquisition is approved, its expanded California market will include Southern California where Comcast will heavily promote TV, phone, and Internet bundled services. Keep in mind that AT&T was required to provide a stand-alone Internet access service after its merger with SBC along with low-cost DSL for a specified period of time after being acquired by SBC.

As you, we care deeply about the future of California and America. Our nation's economic well-being and ability to compete globally are at risk unless we get all residents connected to high-speed broadband at home. Now is the time to hold Comcast accountable for delivering a real, measurable public benefit.

Sincerely,

Sunne Wright McPeak
California Emerging Technology Fund

Dixon Slingerland
Youth Policy Institute

Teresa Favuzzi
California Foundation for Independent Living Centers

Mike Dozier
California Partnership for the San Joaquin Valley

Olga Talamante
Chicana Latina Foundation

Pat Furr
Computers for Classrooms

Linda Mandolini
Eden Housing

Oscar Cruz
Families in Schools

Joseph Mouzon
Giving Sphere

Serita Cox
iFoster

Hyepin Im
Korean Churches for Community Development

Arabella Martinez
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