

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

Inquiry Concerning the Deployment of )  
Advanced Telecommunications )  
Capability to All Americans in a Reasonable )  
And Timely Fashion, and Possible Steps ) CC Docket 98-146  
To Accelerate Such Deployment )  
Pursuant to Section 706 of the )  
Telecommunications Act of 1996 )

**REPLY COMMENTS OF PLUGGED IN**

**INTRODUCTION**

Plugged In is a non-profit organization based in East Palo Alto, California. East Palo Alto is a low-income community located just miles from the heart of Silicon Valley. Our city has the lowest per-capita income, highest high-school drop-out rate and highest teen-pregnancy rate in San Mateo County. In 1992, East Palo Alto became known as the country's homicide capital. Since there are only 900 jobs in this city of 25,000, East Palo Alto's ethnically diverse low-income residents commute to low-paying service jobs in Silicon Valley.

Plugged In's mission is to ensure that the low-income residents in our community will have the opportunity to take full advantage of all the opportunities created by the information revolution. We provide community members of all ages and backgrounds with access to computers and the Internet. Plugged In operates four programs: an after-school program for neighborhood children; a teen-run web page design business; a community technology center that provides teens and adults with unrestricted access to computers and the Internet; and, in the evening, computer classes.

Currently, our main interest in deploying advanced communications services is to increase the bandwidth available to our customers. At peak times during the day, it is not unusual that up to 30 customers share our Internet connection. At these times, additional bandwidth will make it easier for our customers to look for jobs on the Internet, work on clients' web sites or check their web-based e-mail. While our customers do engage in some video-conferencing and audio-streaming, most uses tend to be low-bandwidth (e-mail, web browsing) which, in the aggregate, require a higher bandwidth. In the future, we do anticipate higher-bandwidth applications. We anticipate offering IP-based telephony service to our customers within 24 months and to see increased demand for Internet-based video-conferencing and video- and audio-streaming, particularly as distance-learning offerings become more wide-spread.

It should be noted that, unlike many other low-income communities, our city shares telephone switches and cable services with the affluent city of Palo Alto. Since telecommunications providers are aggressively competing for the corporate customers in Palo Alto, advanced telecommunications services tend to be available in our community on a fast-track schedule.

We are filing these comments because we believe the Commission's actions, or lack thereof, have a direct and substantial impact on the low-income residents in our community and on our ability to effectively provide them with access to information technologies.

We urge the Commission to understand that, while it may not be feasible in the short run to provide low-income end-users with access to advanced telecommunications services, there are ways to encourage the development of publicly accessible access points where low-income people will be able to have full access

to advanced communications services. We urge the FCC to continue its efforts to facilitate the development of the equivalent of the public transportation system for the information age.

## **DISCUSSION**

13. **ADVANCED SERVICES.** While we understand that this inquiry is focusing specifically on advanced services as defined in the Telecommunications Reform Act, we would like to point out that many of the basic services provided by the telecommunications industry are not necessarily widely available at a reasonable cost to the low-income residents of our community. For example, our low-income customers cannot afford a fax machine. Fax service in our community is typically provided by liquor stores and other predatory businesses that charge exorbitant fees. Similarly, most of our customers cannot afford a computer, much less modem-based Internet access. They come to our center to gain access to the Internet. Many of our customers, because they are low-income, have had credit problems in the past and, as a result, may have difficulty maintaining telephone service. Again, predatory business take advantage of this situation by selling telephone calling cards, prepaid cellular service and other telecommunications services, at highly inflated rates. In response, we provide free local calling, and reasonably priced long distance calls, voicemail service and and pre-paid calling cards. These services are a vital part of our program and are an important part of true universal service.
22. **ILEC DEPLOYMENT OF xDSL.** SBC/Pacific Bell will be installing a high-bandwidth ADSL line (1.2 mb) in our Center over the next few weeks as part of their sponsorship of our organization. We understand that they are installing similar advanced telecommunications capability in two additional community technology centers in California and have plans to provide up to 10 community technology centers with this capability. Part of the ILEC's stated reason for donating this service to Plugged In is to market this technology to the low-income residents of East Palo Alto.
31. **CLEC DEPLOYMENT OF ADVANCED TELECOMMUNICATIONS CAPABILITY.** Our community receives cable service from the same cable company that serves the Palo Alto community. This CLEC is currently deploying cable modem service (1.2 mb) to residential customers. The CLEC has donated free cable modem service to Plugged In. Part of the CLEC's stated reason for donating this service to Plugged In is to market this technology to the low-income residents of East Palo Alto.
38. **PROMOTING THE PROVISIONING OF xDSL SERVICE TO INDEPENDENT ISPs.** We believe that the proposed rulemaking on the Provision of Advanced Services Through a Separate Affiliate provides the appropriate framework for promoting the provisioning of xDSL service to independent ISPs. At the same time, we agree with concerns expressed by the Alliance for Public Technology (APT) and the Universal Service Alliance, that it is important to put in place mechanisms that will ensure that the establishment of unregulated Affiliates will not lead to the bypassing of low-income communities by these Affiliates.
56. **COMPETITIVE ENTRY.** We are concerned that many of the companies that are planning to deploy advanced telecommunications services will focus on providing these services to commercial customers and to residential customers in more affluent areas. We support the Alliance for Public Technology's recommendations for addressing this concern, as described in their Petition filed February 18, 1998.
- 71a **APT'S MERGER CONDITIONS RECOMMENDATION.** We agree with APT's recommendation that FCC approval of future mergers in the telecommunications industry be conditional upon specific agreements to ensure infrastructure deployment in impoverished, rural and other marginalized communities. Our program is located in an area covered by the Community Technology Fund created as a result of the Pacific Telesis / SBC merger. Throughout the state of California, we have witnessed the vital importance of funds like the Community Technology Fund

in creating an environment in which innovative community-based applications of information technologies are developed. A prior Technology Education Trust fund established by our Public Utilities Commission provided funding that led to the development of many of California's finest technology-access programs. Similarly, our program was an early beneficiary of the U.S. Department of Commerce's Telecommunications and Information Infrastructure Assistance Program (TIAP), which allowed us to greatly expand our program and establish the credibility necessary to attract private support. As a result, we were able to create a viable organization that has been able to raise many times the amounts of funding that were provided by the TIAP program.

We believe that, while the Universal Service programs and discounted prices for schools, libraries and hospitals are important components of a strategy to ensure universal access to information technologies, funds like the Community Technology Fund, TIAP and the Technology Education Trust provide a very efficient way to nurture the development of grass-roots efforts that are able to deploy information technologies on a neighborhood basis and in response to a community's unique needs. In communities like East Palo Alto, few people can afford a computer in the home. Schools tend to offer very limited access outside of regular school hours. Even if they can afford a computer, most people lack the technical skills and the personal networks to fully take advantage of all that these technologies have to offer. Programs like ours provide a place where demand for these technologies is aggregated, where people can receive technical assistance, and where hands-on applications that will benefit people's lives are made available to everyone. Because these programs do not fit into traditional social service categories, it is often very challenging for community-based programs like ours to obtain funding. Efforts like the Community Technology Fund provide funding and credibility that are vital to allow programs like ours to grow.

- 71b **APT'S RECOMMENDATION TO ENCOURAGE PARTNERSHIPS.** We agree with APT's recommendation that the Commission should establish policies that encourage partnerships between telecommunications providers and community-based organizations to nurture demand for advanced services in low-income communities. Our organization has just launched a partnership with Pacific Bell/SBC to market a broad range of telecommunications services to our community. We believe this effort will become a concrete example of the power of such partnerships.

We are engaging in this partnership based on an appreciation that telecommunications services in our community are often marketed by predatory businesses such as liquor stores or check cashing places. These businesses tend to sell prepaid telecom products such as prepaid calling cards, pager services, and cellular phone service at vastly inflated prices. In addition, these businesses often have a stronger marketing savvy in our community than mainstream telecommunications providers. By partnering with our ILEC, we plan to offer reasonably-priced telecommunications services in a positive and supportive environment. In addition, we will showcase advanced technologies, include ADSL, to community members and help them see how these technologies can benefit them.

In doing so, we will be assisting our ILEC in developing a better sense for how to effectively market telecommunications services in our communities. At the same time, we will be creating and aggregating demand for these services. In sum, we will create an environment that will encourage our ILEC to invest in providing a broad range of services in our community.

- 71c **UNIVERSAL SERVICE ALLIANCE'S RECOMMENDATION TO EXTEND MERGER CONDITIONS TO CLECS AND IECS.** We agree with the Universal Service Alliance's recommendation that conditioning the approval of merger agreements on community investment strategies should be extended to CLECs and IECS.

- 72 **RELATIONSHIP BETWEEN SECTION 706 AND UNIVERSAL SERVICE.** As we have indicated in other parts of our comments, including in the preceding paragraphs, our organization's focus is on ensuring that our low-income residents have full access to reasonably-priced telecommunications services, whether they be "basic" or "advanced". Providing community members with access to fax service and prepaid calling cards is every bit as important as demonstrating the power of high-bandwidth Internet access. Our main concern is that our

organization is not covered by the universal service provisions. The APT's recommendations provide the Commission with the opportunity to meet Section 706 requirements and in the process create an environment that will be conducive to true universal service.

We agree with the Universal Service Alliance's recommendation that the Commission should seek legislation allowing community based organizations to be eligible for Universal Service discounts.

## **CONCLUSION**

We urge the Commission to understand that community-based efforts like ours are vital in

- (1) aggregating demand for a broad range of telecommunications services, including advanced services;
- (2) developing applications that "bring home" the benefits of advanced telecommunications services. We develop the applications that exploit the power of advanced telecommunications services to enhance the quality of life for our community members;
- (3) helping telecommunications providers reach customers in underserved communities.

We believe that the Alliance for Public Technology and the Universal Service Alliance are providing a number of recommendations that provide the Commission with the opportunity to support efforts like ours in a manner that is consistent with Section 706.

We support APT's recommendations, particularly its recommendations on merger conditions and encouraging partnerships between community-based organizations and telecommunications providers. In addition, we support the Universal Service Alliance's recommendations on extending merger conditions to CLECs and IECs and its recommendation to extend Universal Service discounts to community based organizations.

Community-based programs like ours provide the equivalent of public transportation for the information age: at Plugged In, teens are able to do their homework, adults look for jobs, entrepreneurs launch information business and parents stay in touch with their kids in college. We urge the FCC to continue its efforts to deploy this vital public telecommunications infrastructure.