

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

Lifeline and Link-Up Reform and Modernization	)	WC Docket No. 11-42
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
Lifeline and Link-Up	)	WC Docket No. 03-109
	)	

To: The Commission

**COMMENTS OF COMCAST CORPORATION**

Comcast Corporation (“Comcast”) hereby submits these comments in response to the Commission’s Notice of Proposed Rulemaking on comprehensive reform of the Lifeline and Link Up programs (collectively, “Lifeline/Link Up” or the “program”).<sup>1</sup> As discussed in more detail below, Comcast applauds the Commission for proposing reforms to bring efficiency and accountability to the existing program. Comcast also agrees that the program must be updated for the broadband era, and urges the Commission to take a holistic approach that addresses not only the cost of broadband service, but also the critical components of equipment costs and digital literacy that play equally important roles in the adoption of broadband by low-income individuals. Comcast encourages the Commission to engage additional stakeholders who benefit from expanded broadband adoption, such as the equipment manufacturing community and edge application providers, in this important effort. Comcast also describes herein the Comcast

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<sup>1</sup>*Lifeline and Link-Up Reform and Modernization; Federal-State Joint Board on Universal Service; Lifeline and Link-Up*, WC Docket No. 11-42; CC Docket No. 96-45; WC Docket No. 03-109, Notice of Proposed Rulemaking, FCC 11-32 (rel. March 4, 2011) (“NPRM”). Through its cable plant, Comcast provides broadband Internet access service to nearly 16 million customers and facilities-based voice services to over seven million customers. *See Applications of Comcast Corporation, General Electric Company and NBC Universal, Inc.*, MB Docket No. 10-56, FCC 11-4, ¶ 9 (rel. Jan. 20, 2011) (“Comcast Merger Order”). Comcast thus has a direct interest in the Commission’s resolution of the issues raised in the NPRM.

Broadband Opportunity Program (“CBOP”), which will be launched across Comcast’s entire footprint for the 2011 school year and may provide useful information to the Commission as it goes about structuring an effective broadband program for low-income households.

**I. THE CURRENT LIFELINE AND LINK-UP PROGRAMS MUST BECOME MORE EFFICIENT AND ACCOUNTABLE.**

As the NPRM acknowledges, the time for a thorough reassessment of the low-income universal service program has arrived.<sup>2</sup> As the Commission points out, outdated and inconsistent administrative processes, combined with fundamental technological and marketplace changes, warrant a renewed focus on eliminating waste, fraud and abuse. Improving the efficiency of the current program will contribute to the Commission’s efforts to modernize Lifeline/Link Up and support the extension of broadband service to low-income households.<sup>3</sup>

Comcast has long been an advocate for greater efficiency and accountability in the universal service support programs. The NPRM includes many proposals that will be useful in confronting those challenges. These include, for example, taking steps to minimize duplicate claims for support;<sup>4</sup> eliminating reimbursement for toll limitation service;<sup>5</sup> standardizing reimbursable charges for LinkUp;<sup>6</sup> and improving requirements for certifying and verifying consumers’ eligibility for Lifeline.<sup>7</sup> The Commission can and should pursue these reforms to improve the efficiency of the current program. The Commission should also give careful

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<sup>2</sup>See, e.g., NPRM at ¶ 3.

<sup>3</sup>*Id.* at ¶¶ 27, 143.

<sup>4</sup>*Id.* at ¶¶ 47-64, 103-125.

<sup>5</sup>*Id.* at ¶¶ 68 *et seq.*

<sup>6</sup>*Id.* at ¶¶ 71 *et seq.*

<sup>7</sup>*Id.* at ¶¶ 158 *et seq.*

consideration to creation of a national eligibility database.<sup>8</sup> Reforms such as these will make the programs more effective, thus benefitting both low-income consumers and USF contributors.

## **II. THE LOW-INCOME PROGRAM FOR BROADBAND SHOULD ADDRESS ALL OF THE REASONS LOW-INCOME CONSUMERS DO NOT SUBSCRIBE.**

The Commission's priorities for the universal service program should reflect the critical role that access to broadband Internet service plays in our economy and society. Thus, Comcast supports the Commission's proposal to consider effective ways to transition low-income universal service programs to support broadband. In doing so, however, the Commission must recognize – as the NPRM notes – that broadband adoption is a more complex problem than telephone adoption.<sup>9</sup> In this regard, Comcast's CBOP program may provide useful information.

### **A. Improving Low-Income Broadband Adoption Requires a Multi-Faceted Approach**

It is now well-established that the cost of broadband service is only one of the reasons why low-income households do not subscribe to broadband service, and probably not the most important. Indeed, the Commission's own research reflects that price is a primary factor for only 15% of consumers who choose not to purchase broadband.<sup>10</sup> Thus, “demand side” solutions to the problem of low-income broadband adoption must employ a multidimensional approach:

Given the multiplicity of barriers to broadband adoption, a successful program must tackle many goals. A program should *motivate* non-users to adopt, make broadband *affordable*, employ *content* in the training that relates to everyday life or the use of public services, and focus on the *accessibility and usability* of broadband and online services . . . . In other words, encouraging broadband adoption is only part of a larger digital literacy effort,

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<sup>8</sup> *Id.* at ¶¶ 205 *et seq.*

<sup>9</sup> *Id.* at ¶ 268.

<sup>10</sup> John B. Horrigan, *Broadband Adoption and Use in America*, OBI Working Paper Series No. 1 (2010), available at [http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/DOC-296442A1.pdf](http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-296442A1.pdf).

and programs work when they make non-users want to connect, make the Internet cheaper and easier to use, and adjust to users' preferences.<sup>11</sup>

Consequently, the successor to Lifeline for the broadband age must focus on several factors in addition to the cost of broadband if it is to be effective. Access to affordable equipment and training will be crucial.<sup>12</sup> Consumers must have access to the equipment necessary to access the Internet, and they must have both an understanding of why Internet resources are relevant to their lives and the skills to use Web-based resources.

Comcast, therefore, commends the Commission for proposing that Lifeline broadband pilot programs include not only funding for service but also plans to ensure that recipients have access to equipment and access to training in computer skills and Web resources.<sup>13</sup> It is appropriate, and indeed essential, to engage additional stakeholders, including equipment manufacturers and edge application providers, in the program.<sup>14</sup> Equipment manufacturers produce the devices that allow access to the Internet, and they will benefit from an increase in Internet users. Likewise, edge application providers hold the key to making the Internet relevant to consumers, and they too stand to benefit as more low-income consumers learn how to reach them online. No adoption program can be truly successful without these entities' active participation, and these entities have a direct stake in the program's success.

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<sup>11</sup> Janice Hauge and James E. Priege, *Demand-Side Programs to Stimulate Adoption of Broadband: What Works?* at 57-58 (2009) (emphasis in original), available at <http://ssrn.com/abstract=1492342>.

<sup>12</sup> See also, e.g., Blair Levin, "My Mistake; Our Opportunity," Speech to Joint Center for Political and Economic Studies, Aspen Institute (March 2, 2011), available at [http://www.jointcenter.org/publications1/Speech\\_to\\_Joint\\_Center\\_30111\\_1.pdf](http://www.jointcenter.org/publications1/Speech_to_Joint_Center_30111_1.pdf).

<sup>13</sup> NPRM at ¶¶ 283-285.

<sup>14</sup> *Id.* at ¶ 281.

Ultimately, Lifeline/Link-Up must be part of an effort that not only makes broadband service more affordable, but also makes broadband service more useful – and motivates consumers to use broadband services for their own benefit and the benefit of the larger economy and society. Tomorrow’s low-income program must be much *more than* a subsidy program (and thus much *less of* a subsidy program), and the pilot programs must be designed to achieve those ends.

**B. Comcast’s CBOP Program May Provide the Commission With Useful Information About How an Effective Low-Income Broadband Program Might Be Designed.**

The NPRM cites Comcast’s CBOP program as one of the “ongoing efforts to address the broadband adoption gap at the federal, state, and local level.”<sup>15</sup> The Commission further states that it is “interested in learning more about the status of these projects and what data [it] can gather from those efforts.”<sup>16</sup> Comcast appreciates the Commission’s recognition of CBOP and welcomes the opportunity to put additional details about the project into the record of this proceeding.<sup>17</sup>

CBOP is a multi-faceted subsidy and adoption program – just as the reformed Lifeline/Link-Up program must be. It is designed as a comprehensive plan that addresses three key barriers to adoption identified in the National Broadband Plan – reducing the cost of broadband access for low-income homes, the lack of a computing device in the home (again, often a function of cost), and the absence of digital literacy.

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<sup>15</sup>*Id.* at ¶ 270 (footnote omitted).

<sup>16</sup>*Id.* at ¶ 302.

<sup>17</sup> Details not included below are set forth in Section XVI.2 of Appendix A to the Comcast Merger Order, and incorporated herein by reference.

Participants in CBOP receive the Economy version of Comcast's residential broadband service for \$9.95 per month, with no modem fees or installation charges. Participating households will continue to receive broadband service at the discounted rate for as long as they meet the eligibility criteria. Participants will also receive one piece of quality computer equipment for less than \$150. Households are eligible to participate if they have at least one child certified to receive free school lunches via the National School Lunch Program (NSLP), a commonly accepted indicator of need and one that will allow Comcast to rely on the well-established NSLP certification process to qualify participants in CBOP.<sup>18</sup>

This program will be launched across Comcast's entire footprint for the 2011 school year. Participants will be enrolled in the program during three full school years (2011, 2012 and 2013); after 2013, participants who sign up during the three-year period will be able to continue receiving the discounted Internet prices as long as they meet the eligibility criteria.

This program uses a comprehensive approach to promote adoption. First, Comcast is engaging in substantial efforts, in coordination with community partners, to publicize the availability of and disseminate information about the program. Among other things, Comcast will promote the CBOP program through public service announcements, as well as through segments of Comcast Newsmakers (airing on Comcast Cable systems throughout our service areas) featuring guests who will describe the CBOP program. Comcast will also distribute the program information to its partners who work with low-income communities on a national and local level, *e.g.*, One Economy, National Urban League, LULAC, National Council of La Raza, etc.

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<sup>18</sup> Eligible households must also be within Comcast's Internet footprint; not have subscribed to Comcast Internet service within 90 days prior to installation; and not be subject to any current Comcast collection activity.

Comcast is also conducting substantial outreach to increase awareness of, and support for, CBOP with the Federal government, State and local governments and organizations, intergovernmental associations, and the education community.<sup>19</sup> In addition, Comcast is working to educate school professionals who work closest with NSLP-eligible families about the CBOP program. This outreach will include the various education-related associations, including PTAs and associations representing guidance counselors and social workers, in order to reach those who are most likely to work closely with students and families who qualify for CBOP.

In addition, Comcast is providing appropriate collateral materials and requesting that school districts include information about CBOP with the first NSLP communication to families in advance of the school year and in other NSLP communications throughout the year. The overall goal of these efforts is to ensure that eligible families are aware of the program and have the opportunity to register.

CBOP's involvement is not limited to the Internet connection alone. Comcast is establishing an education program that gives participants access to web-based, print, and some classroom-based computer training programs. Comcast and its local partners will offer learning opportunities at locations across Comcast's service territory.

Comcast has launched a pilot of CBOP in Delaware in April of the current 2010-2011 school year to gain operational experience with the program, permitting further refinements before its national launch. This pilot is being offered in 24 schools encompassing two public school districts and five charter schools in Delaware.

Comcast believes that CBOP could provide important insights that can lead to new strategies that will be more effective. As results from CBOP begin to flow in later this year,

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<sup>19</sup> A list of outreach that has occurred or is planned is provided in Comcast's April 5, 2011 *ex parte* letter to the Commission in GN Docket No. 09-51.

Comcast will keep the Commission apprised, and ensure that relevant material is filed in this proceeding to inform the development of a broadband-based Lifeline/Link-Up program.

As the Commission is informed of CBOP and other adoption efforts (such as the one announced by CenturyLink), it can usefully work with service providers to develop various programs, develop best practices, and take advantage of what is learned to help shape a successful broadband-focused Lifeline/Link-up program.

### CONCLUSION

Comcast urges the Commission to take action to bring greater efficiency and accountability into the current Lifeline/Link-Up program. Such measures will enable the Commission to begin the important process of updating the program to aid broadband adoption. This effort must fundamentally transform Lifeline/Link-Up from a simple subsidy program into a multi-faceted adoption and relevancy program. The CBOP experience is likely to provide valuable information about how best to accomplish this transformation.

Respectfully submitted,

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