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July 31, 2012

FILED/ACCEPTED

JUL 31 2012

Federal Communications Commission
Office of the Secretary

VIA ELECTRONIC FILING

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: *In the Matter of Applications of Comcast Corporation, General Electric Company and NBC Universal Inc. for Consent to Assign Licenses and Transfer Control of Licenses, MB Docket No. 10-56*

Dear Ms. Dortch:

In accordance with the provisions of the Memorandum Opinion and Order adopted in the above-referenced proceeding,¹ Comcast Corporation hereby submits its first Annual Compliance Report on *Internet Essentials*, the Comcast Broadband Opportunity Program. A copy of this report is also available as of today at www.comcast.com/InternetEssentials and www.InternetEssential.com/news.

Please do not hesitate to contact me should you have any questions.

Sincerely yours,

Lynn R. Charytan

Lynn R. Charytan
Vice President, Legal Regulatory Affairs,
Senior Deputy General Counsel,
Comcast Corporation

Enclosure

¹ *In the Matter of Applications of Comcast Corporation, General Electric Company and NBC Universal, Inc. For Consent to Assign Licenses and Transfer Control of Licensees, Memorandum Opinion and Order, 26 FCC Rcd 4238 (2011), as amended by the Erratum released on March 9, 2011.*

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Ms. Marlene H. Dortch

July 31, 2012

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.

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Federal Communications Commission
Office of the Secretary

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and NBC Universal, Inc.)
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Transfer Control of Licensees)

MB Docket No. 10-56

ANNUAL COMPLIANCE REPORT ON *INTERNET ESSENTIALS*,
THE COMCAST BROADBAND OPPORTUNITY PROGRAM

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July 31, 2012

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**Before the
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July 31, 2012

**ANNUAL COMPLIANCE REPORT ON *INTERNET ESSENTIALS*,
THE COMCAST BROADBAND OPPORTUNITY PROGRAM**

Comcast Corporation (“Comcast”) submits this report regarding the Comcast Broadband Opportunity Program as described in Condition XVI.2 of Appendix A to the *Transaction Order*¹ (the “Condition”) for the first year of the program ending June 21, 2012.² Comcast has branded its broadband adoption program as *Internet Essentials*, or “Internet Básico” for Spanish-speaking customers.

Comcast published its *Internet Essentials* Launch Report six months ago, a copy of which is attached hereto as Appendix A (the “Launch Report”).³ This Annual Compliance Report reiterates and supplements the information in the Launch Report, and it identifies the relevant components of the Condition that have guided — and are satisfied by — *Internet Essentials*. In addition, this report also provides the specific information required by sub-part XVI.2.m of the Condition, including an analysis of the program’s effectiveness, and a description of the enhancements Comcast has made to improve *Internet Essentials* in the year ahead.

¹ *In the Matter of Applications of Comcast Corporation, General Electric Company and NBC Universal, Inc., For Consent to Assign Licenses and Transfer Control of Licensees*, Memorandum Opinion and Order, 26 FCC Rcd 4238 (2011) (as amended by the Erratum released on March 9, 2011) (“*Transaction Order*”).

² *Internet Essentials* was launched in June 2011. Data for the first year of the program runs through June 21, 2012, unless otherwise noted, because this date corresponds to the close of the Company’s fiscal month that is nearest to this Annual Compliance Report’s filing date.

³ The Launch Report (Jan. 31, 2012), is also available online at <https://www.internetessentialspartner.com/Downloads/LaunchReport.pdf>.

As required by sub-part XVI.2.m of the Condition, a copy of this report is available as of today at www.comcast.com/InternetEssentials and www.InternetEssentials.com/news.

I.

**INTERNET ESSENTIALS: THE LARGEST AND MOST COMPREHENSIVE
BROADBAND ADOPTION PROGRAM OF ITS KIND**

Internet Essentials grew out of a multi-year, internal project pre-dating the NBCUniversal transaction that had identified low-income broadband adoption as Comcast's most important community-investment strategy and priority. The program — proposed and developed voluntarily by Comcast, and adopted without amendment by the Commission — is a first-of-its-kind effort to comprehensively address what are, according to the best research, the major components of the nation's broadband adoption challenge: low digital literacy, perceived lack of relevance of online content, and the need for low-cost, good quality computers and Internet service. *See* Condition XVI.2.b.

Before *Internet Essentials*, neither the government nor any private company had tried to tackle all the major barriers to broadband adoption in one comprehensive program. Comcast's work to design and implement *Internet Essentials* helped build momentum for other stakeholders to try similar programs. Recently, the Commission, together with the National Cable and Telecommunications Association and a group of non-profits, diverse technology companies, and multi-channel video distributors, including Comcast, followed suit and introduced the Connect2Compete initiative, which is modeled after *Internet Essentials* in structure and intent.

A. **Eligibility Criteria** (*Condition XVI.2.f*)

As committed in connection with the NBCUniversal transaction and set forth in the Condition,⁴ Comcast chose to focus *Internet Essentials* on bridging the digital divide for low-income families with children in school to ensure the program had direct impact on a critical sector of Americans that are not connected to the Internet at home.

To that end, Comcast initially offered the program based on the following eligibility criteria: a household is eligible to participate in *Internet Essentials* if it (1) is located where Comcast offers Internet services (over 99% of the Comcast service area); (2) has at least one child eligible for a free school lunch through the National Lunch School Program ("NSLP"); (3) has not subscribed to Comcast Internet service within the last 90 days; and (4) does not have an overdue Comcast bill or unreturned equipment.

⁴ *See* Launch Report, *supra* n. 3, at 15; *see also* Letter from Kathy Zachem, Vice President, Regulatory and State Legislative Affairs, Comcast Corporation, to Marlene H. Dortch, Secretary, Federal Communications Commission, MB Docket No. 10-56 (Dec. 23, 2010) at 4-6.

On April 2, 2012, Comcast went beyond the initial eligibility criteria outlined in the Condition and extended eligibility to families with children eligible to receive *reduced* price school lunches as well. This enhancement made close to 300,000 additional households in Comcast's service area eligible for *Internet Essentials* — raising the total number of *Internet Essentials*-eligible households to an estimated 2.3 million families.⁵

1. Reliance on NSLP Eligibility (Condition XVI.2.g)

To determine eligibility for the *Internet Essentials* program, Comcast proposed, and the Condition requires, that eligibility for the program be based on the well-established certification processes for participation in the NSLP. Established by the U.S. Department of Agriculture and administered by local school districts, the NSLP provides free lunches to children who come from households with incomes at or below 130 percent of the poverty level, and reduced price lunches to children from households with incomes between 130 percent and 185 percent of the poverty level.⁶

2. Eligibility Verification (Condition XVI.2.j)

Comcast retained an established third-party verification specialist, Solix (www.solixinc.com), to verify the NSLP eligibility of *Internet Essentials* applicants. Solix has the infrastructure and expertise to process millions of applications to confirm applicant-submitted information. Its experience with income-based qualification programs like NSLP enables Solix to expeditiously handle verification requests, including any customer care issues that may arise during the verification process.⁷ And, as explained in Section I.D.1.c, *infra*, to reduce the burden or delay that some families faced in obtaining proof of eligibility, in January 2012, Comcast implemented an instant approval process for families with students who attend schools with the highest percentage of NSLP participation, another Comcast enhancement to the program.

⁵ Some parties have expressed frustration about the eligibility requirements on the grounds that they (necessarily) exclude some applicants who might benefit from low-cost Internet service. Other programs and providers may come forward with solutions and plans to address other segments of the population that are not within *Internet Essentials*' eligibility parameters, and Comcast might propose alternatives to address these in the future.

⁶ See National School Lunch Program Fact Sheet, <http://www.fns.usda.gov/cnd/Lunch/AboutLunch/NSLPFactSheet.pdf> (last visited on July 12, 2012). For the period July 1, 2011 through June 30, 2012, 130 percent of the poverty level is \$29,055 for a family of four; 185 percent is \$41,348.

⁷ Solix has also been named a pilot partner in the Connect2Compete initiative. See <http://www.connect2compete.org/partners>.

B. Launch and Duration of the Program (*Conditions XVI.2.a; XVI.2.d*)

Comcast rolled out *Internet Essentials* across more than 4,000 school districts in 39 states plus the District of Columbia during the 2011-2012 school year, and will continue to enroll participants in the program, at least through the end of the 2013-2014 school year. In addition, once the program helps a family get online, Comcast wants that family to stay online. Accordingly, any household that enrolls during the initial three-year enrollment period will remain eligible for the discounted price as long as at least one child in the household continues to meet the program's NSLP eligibility test (*i.e.*, eligible to receive a free or reduced price school lunch).⁸

C. Internet Essentials' Principal Components

The *Internet Essentials* program has three principal components:

1. Low Cost Internet Service (*Conditions XVI.2.c.i; XVI.2.c.ii*)

Internet Essentials provides eligible low-income families in the Comcast service area affordable access to high-speed Internet service from their homes. For only \$9.95 per month — around 33 cents a day — eligible families receive Comcast's XFINITY Internet service with no monthly modem or other equipment fees, installation charges, or activation fees. In addition, *Internet Essentials* families are not subject to standard credit checks and are not asked to sign any contracts to take the service for a specified period of time.⁹ The price of the service will not increase as long as the household continues to meet the eligibility criteria of the program.

Starting on April 4, 2012, Comcast doubled the speed of the broadband connection provided with *Internet Essentials* from 1.5 Mbps upstream/384 Kbps downstream to up to 3 Mbps downstream and up to 768 Kbps upstream without an adjustment in price. A faster connection will make *Internet Essentials* even more enjoyable for current customers as well as help attract new ones. As explained to Comcast customers by e-mail, the only thing they needed to do was reboot their modems in order to immediately take advantage of the new speeds.

2. Discounted Computers (*Condition XVI.2.c.iii*)

As part of *Internet Essentials*, Comcast partnered with Acer and Dell to offer eligible families the opportunity to purchase a full-service, Internet-capable computer for \$149.99, which is substantially below retail. Comcast subsidizes each computer to bring the purchase price to

⁸ Allowing households to participate in *Internet Essentials* for as long they have a student in the households who qualifies for *reduced* price school lunch is an enhancement that exceeds the terms of the Condition.

⁹ *Internet Essentials* customers may take other Comcast services in addition to *Internet Essentials*; normal rates and rules for such services will apply.

the \$149.99 price point and ships the computer to the customer for free.¹⁰ Working with the program's partners, including Microsoft, Comcast offers *Internet Essentials* families the opportunity to purchase one discounted netbook computer running the Windows 7 Starter operating system with pre-installed web browser software. Plus, as discussed in Section I.G.2, *infra*, *Internet Essentials* customers receive access to a suite of security and antivirus software tools at no extra cost.

3. Digital Literacy Training (*Condition XVI.2.c.iv*)

Internet Essentials customers receive access to print, online, and in-person digital literacy training free of charge. Digital literacy training is the first step in helping those who have not been connected understand the value, the relevance, and the ease of using the Internet. Comcast developed comprehensive training tools in order to achieve the program's digital literacy objectives. For example, Comcast created detailed guides on digital literacy topics such as avoiding online threats and safeguarding personal information online. These guides are included in every Welcome Kit that is mailed to each new *Internet Essentials* customer. See [Appendix B](#). In addition — as detailed in Section I.G.3.b, *infra* — Comcast and its partners organized hundreds of in-person training sessions across the country, giving *Internet Essentials* customers and other low-income families the opportunity to receive hands-on training on digital literacy topics. And, for its online component, Comcast created the Digital Learning Center, which is available 24/7 so that customers can receive digital literacy training at their convenience. Recent enhancements to the Digital Learning Center include animated training modules focused on topics such as phishing, cyber-bullying, identify theft, spam, online safety, computer viruses, and more. A detailed description of the expansive digital literacy training and support available to Internet Essentials customers is provided in Section I.G.3, *infra*.

D. Operationalizing *Internet Essentials* (*Condition XVI.2.j*)

As detailed in the Launch Report,¹¹ the eligibility rules for *Internet Essentials* created a unique set of operational challenges. The Company sought to address these challenges while keeping the *Internet Essentials* application and intake processes as simple and efficient as possible, providing applicants with clear instructions, guidance, and regular reminders throughout the process. Comcast continues to make adjustments to the application and intake processes to ensure a smooth customer experience and efficient, timely sign-ups. The goal is to eliminate every possible upfront barrier for eligible families to apply for and get accepted into the program. Comcast also continues to seek new ways both to simplify the process and get families online faster.

Comcast honed the onboarding process for *Internet Essentials* customers through an iterative process of testing, improving, and then retesting to ensure effectiveness. The process

¹⁰ Depending on the jurisdiction, taxes may apply to the computer purchase price.

¹¹ See Launch Report, *supra* n. 3, at 33-35.

involves the following elements:

1. Avenues to Get Information and Request an Application

a. Dedicated *Internet Essentials* phone numbers and branded websites

As contemplated in Comcast's program design and incorporated into the Condition, Comcast operates dedicated phone numbers for English and Spanish speaking consumers — 1-855-8-INTERNET (1-855-846-8376) and 1-855-SOLO-995 (1-855-765-6995) — which connect participants to customer account executives ("CAEs") at a dedicated call center specifically trained to assist with *Internet Essentials* enrollment and answer questions about the program. These dedicated phone lines are the central tool that Comcast uses to ensure that interested consumers get the information they need.

In addition, Comcast launched the websites www.InternetEssentials.com and www.InternetBasico.com to promote the service, inform potential customers of application requirements, and serve as a portal to information about the program, including certain digital literacy training materials and information. As discussed in greater detail in Section I.E, *infra*, Comcast invested substantial time and effort promoting both the dedicated phone numbers and the *Internet Essentials* websites, in order to funnel interested customers directly to these informative resources — and to give them a dedicated, informed customer support staff to answer questions.

b. General customer service support

Comcast also took steps to ensure that potential customers could find *Internet Essentials* information through other contacts within the Company. For example, Comcast has trained *all* its CAEs on *Internet Essentials*, and has provided back-up information and reminders about the products to all CAEs and their supervisors, so that callers who contact another Comcast customer service center can be appropriately redirected to the *Internet Essentials* dedicated toll-free number. To ensure that customers who visited our main website (www.comcast.com) could quickly find information about the program, Comcast more than doubled the search terms (e.g., "low-cost broadband") that produce links to information about *Internet Essentials* and added an *Internet Essentials* FAQ (frequently asked questions) to its Customer Central self-service portal.¹²

¹² See <http://customer.comcast.com/help-and-support/internet/comcast-broadband-opportunity-program/>.

c. The application process

After a customer calls to enroll, Comcast mails an application to the customer's home that is pre-populated with all of the caller's information in order to simplify and accelerate the ordering process. As a general matter, the pre-populated application is generated in either English or Spanish, printed, and sent to the customer within one business day from the initial call date. Next, customers send their completed *Internet Essentials* application and supporting documentation by mail or fax to Solix for eligibility verification. Solix usually processes and approves or denies applications in an average of one business day. Verified applications are then forwarded to a Comcast order-entry center for provisioning of the new *Internet Essentials* account.

As described in Section I.A, *supra*, eligibility for *Internet Essentials* requires proof of NSLP eligibility. To reduce the burden or delay that some families faced in obtaining this proof, and as announced in the Launch Report,¹³ in January 2012 Comcast implemented the *Internet Essentials* instant approval process for "Provision 2" schools.¹⁴ As a result, applicants in qualifying school districts can now complete the *Internet Essentials* application over the phone without a separate verification step. In March 2012, Comcast further expanded the instant approval process to include all schools with 75% or more NSLP participation based on National Center for Education Statistics (NCES) data, irrespective of their Provision 2 status. This means that students attending the 20,906 schools across the Comcast footprint that are either Provision 2 or NCES-validated can be instantly approved for the program. Both enhancements have been a resounding success: since the enhancements were rolled out, instant approvals have accounted for 38.6% of all *Internet Essentials* orders.

Eligible households may also receive *Internet Essentials* through a new bulk registration program. As announced in the Launch Report,¹⁵ during 2012, Comcast began allowing organizations such as non-profits, community-based organizations ("CBOs"), faith-based organizations, school districts, and community colleges to buy *Internet Essentials* service in bulk for households that are "sponsored" by each organization. Participating organizations must commit to sponsor at least 50 households by paying each home's monthly \$9.95 service fee for a minimum of eight months (there is no separate fee charged to the sponsor for participation in the bulk registration program). In June 2012, Comcast made the bulk registration program available across its national footprint. All of these voluntary enhancements to the *Internet Essentials* application process go far beyond the Condition's requirements.

As noted, the *Internet Essentials* application process has been continually enhanced based

¹³ See Launch Report, *supra* n. 3, at 5.

¹⁴ Provision 2 NSLP certification means that the school can provide free meals to all its students. Households in a Provision 2 school district — generally those with a high percentage of low income students — are not required to complete free or reduced price lunch application materials and are automatically qualified for NSLP.

¹⁵ See Launch Report, *supra* n. 3, at 45.

on lessons learned from real-world experience to ensure that the customer intake process does not materially hinder or delay families from enrolling in the program. Some early changes that Comcast made include revising the *Internet Essentials* call center script to more quickly and directly initiate the enrollment process. Further, Comcast established “resend and remind” follow-up procedures: if a response is not received within 30 days, Comcast sends a replacement application to the home, and a second notice is sent if a response is not received within 60 days. The “resend and remind” practice was a program refinement adopted after Comcast observed that some customers were not returning the completed applications for processing. In addition, to accelerate and simplify the application return process, Comcast also added the option for applicants to fax back applications instead of using the postage pre-paid envelope included with the application. And, after observing some of the most common causes of non-approved applications, the Company began inserting a brightly colored “quick check” reminder list into the application kit.

All of these enhancements far exceed the application processing requirements in the Condition. The entire process has been shortened by several weeks since launch, as Comcast has learned and improved its processes.

2. Service Activation

Once a household has been approved for *Internet Essentials* service, Comcast ships an Activation Kit that includes the broadband service modem, cabling, and an easy-to-use self-install guide. The Activation Kit is usually shipped to the customer within seven days from eligibility verification (or sooner for instant approval customers).

Customers who require assistance with the activation process may contact the support line indicated in the installation materials and a service visit will be scheduled at no charge to the customer. Comcast contacts new *Internet Essentials* customers to promptly schedule an installation visit in those cases where the Company’s records suggest that the customer’s home is not pre-wired for Comcast service, since this suggests that the customer would not be able to use the self-install process without assistance. Here, too, the on-site installation is provided at no extra charge. None of these enhanced activation measures were required by the Condition.

New customers also receive a Welcome Kit that includes program acceptance materials, as well as printed lesson cards on digital literacy topics. The information cards also direct the user to the *Internet Essentials* Digital Learning Center to explore further. Welcome Kits are usually mailed to customers within one business day from approval of their *Internet Essentials* application.

3. Ordering the Discounted Computer

The Welcome Kit sent to each *Internet Essentials* participating household includes a voucher with a unique code and instructions on how to obtain the discounted computer. To place an order, program participants must call the toll-free number indicated on the voucher and use one of the vendor's payment methods to complete the purchase. The vendor also provides end-to-end customer service including sales, technical support, and warranty coverage for the discounted computer.

In addition to handling the NSLP eligibility verification, Solix developed the platform that generates the unique discount codes for computer purchases by *Internet Essentials* participants. The Solix system also allows the discounted computer vendors' sales representatives to easily validate a customer's code, and provides Comcast's centralized call center with the ability to troubleshoot problems and replace codes, if necessary. Importantly, this system allows Comcast to include new computer vendors as the program continues, and to dynamically match orders with providers to ensure supply is never depleted.

Organizations participating in the bulk registration program also have the option of purchasing discounted computers for *Internet Essentials* participants during the initial enrollment for \$149.99 each.

E. Publicizing *Internet Essentials* to Eligible Families (*Condition XVI.2.k*)

While the Condition does not explicitly require specific marketing or publicity for *Internet Essentials*, Comcast undertook significant efforts to publicize the program, and in doing so, went well beyond the Condition's requirements. As discussed in the Launch Report,¹⁶ getting the *Internet Essentials* message to eligible households presented a unique set of challenges. First, unlike a typical Comcast service launch, there was no direct way to identify potential *Internet Essentials* customers. Second, Comcast had to create a demand for broadband in some communities that were essentially "broadband resistant" — communities that had not embraced this technology due to factors beyond just cost, such as perceived relevance and low digital literacy. Third, research suggested that a potential *Internet Essentials* customer might need to hear about the program multiple times from trusted sources before taking action.

Comcast, therefore, focused its engagement campaign on a number of important audiences, including local school districts, local and national CBOs, churches, and government officials. Comcast also supplemented this outreach plan with coordinated paid media and earned media campaigns to help deliver a repetitive and consistent message about *Internet Essentials*. The components of this broad promotional campaign are described below.

¹⁶ See Launch Report, *supra* n. 3, at 17.

1. *Internet Essentials* Website and Partner Portal

As discussed in Section I.D.1.a, *supra*, the central building block of the *Internet Essentials* outreach plan is the program's dedicated website www.InternetEssentials.com, or, for Spanish speaking consumers, www.InternetBasico.com, which serves as a one stop destination for information, resources and collateral on *Internet Essentials*. Comcast promotes these website addresses on all *Internet Essentials* materials. Built into this website is a unique Partner Portal (www.InternetEssentials.com/partner) that allows *Internet Essentials* partner organizations to download program materials directly or order materials, which are shipped for free regardless of the quantity ordered. Registered partners also receive program updates, including regular newsletters and other announcements.

As of June 21, 2012, 13,581 individuals and organizations had registered for the Partner Portal, the portal experienced over 135,282 unique visits and partners requested and received over 15.1 million pieces of promotional collateral — all at no charge.

2. “Hyper-local” Paid Media

Comcast designed and executed an ambitious paid advertising campaign to supplement the promotional activity set forth in its initial commitment to the Commission. The Company devised a “hyper-local” paid media strategy targeting NSLP-eligible families within the top 11 metropolitan areas in the Comcast footprint in 2011 and expanded the campaign to the top 12 metropolitan areas in 2012. Efforts included:

- Distributing marketing materials in local businesses and attending community events held in areas with predominantly African American or Hispanic populations.
- Purchasing advertisements in newspapers and community publications to reach potential customers within target school districts. For example, in 2011 Comcast purchased advertisements in the *Philadelphia Tribune* (Philadelphia), the *Washington Informer* (Washington, D.C.), and *El Nuevo Herald* (Miami).
- Targeting radio listeners with remotes and thirty second advertisements.

In 2012-2013, Comcast will leverage mobile technology — the primary source of communications for many low-income families — to spread the word about *Internet Essentials*. The campaign will also target radio listeners with remotes and thirty second advertisements over a five week campaign timed to coincide with the start of the 2012-2013 school year. During key drive periods, these radio spots and remotes will be supplemented by special events with local radio personalities along with Comcast representation in key venues such as shopping districts and community centers.

3. Earned Media

As discussed in the Launch Report,¹⁷ *Internet Essentials* launch events marking the start of the 2011-2012 school year were the centerpiece of Comcast's earned media strategy, galvanizing a broad range of stakeholders around the mission of urging as many eligible families as possible to enroll. Each event featured a speaker from Comcast describing the program and included mayors, governors, Members of Congress, local or state superintendents, and community leaders — all helping to drive the message of the importance of broadband.

For example, in Miami, Comcast held a launch event at Phillis Wheatley Elementary, a school located in the Overtown neighborhood, the city's historic center for commerce in the African American community.¹⁸ The Miami launch event generated a total of 47 media clips (6 print, 31 online, and 10 broadcast) totaling 11.7 million impressions. In addition to Miami, Comcast held launch events in 40 communities including Atlanta, Baltimore, Denver, Detroit, Hartford, Houston, Philadelphia, Pittsburgh, Portland, San Francisco, Tallahassee, and Washington, D.C.

The media impressions generated by coverage of these launch events continued generating millions of dollars' worth of earned media for *Internet Essentials* during the rest of the school year. From January through June 2012, Comcast has generated approximately 222.5 million media impressions for *Internet Essentials* through sustained media efforts. These include 221 million print and online impressions as well as nearly 1.5 million broadcast television impressions.

4. Public Service Announcements and Comcast Newsmakers

To further promote awareness of *Internet Essentials*, Comcast launched a multi-million dollar bilingual Public Service Announcement ("PSA") campaign across its service area. The *Internet Essentials* PSA campaign, which ran from December 26, 2011, through June 22, 2012, was timed to begin just as the program's paid and earned-media promotional runs were ending. The campaign featured several high profile leaders talking about the importance of broadband adoption, including Philadelphia Mayor Michael Nutter, Delaware Governor Jack Markell, Washington Governor Christine Gregoire, California State Senator Alex Padilla, as well as various mayors, school superintendents, and leaders of Urban League affiliates and other CBOs.

In addition, Comcast recorded and aired "Comcast Newsmakers" segments featuring *Internet Essentials*. Comcast Newsmakers is a five minute public affairs program that aired on various platforms through June 2012, including CNN Headline News (on Comcast Cable systems at 24 and 54 minutes past the hour), on Comcast VOD, and online.

¹⁷ See Launch Report, *supra* n. 3, at 22.

¹⁸ See Press Release: *Comcast launches discounted Internet for needy families* <http://www.miamiurbanleague.org/2011/08/09/comcast-launches-discounted-internet-for-needy-families/> (Aug. 11, 2011).

From December 26, 2011 through June 22, 2012, Comcast aired over 77,000 PSA spots and over 12,000 Comcast Newsmakers segments in various advertising zones in communities across Comcast's national footprint, a multi-million dollar investment that was not required by the Condition. Comcast will continue to execute an extensive PSA and Comcast Newsmakers campaign for the remainder of 2012 on available distribution platforms.

5. Comcast Employees

As noted in the Launch Report,¹⁹ Comcast empowered its nearly 100,000 employees to directly connect eligible families in their communities. In May 2012, Comcast developed and launched a targeted employee grassroots campaign named the *Internet Essentials* Ambassadors Program for interested employees to leverage existing relationships with schools, libraries, or CBOs in their neighborhoods and help them prepare for the 2012 *Internet Essentials* back-to-school season. The Ambassadors Program was initially offered to Comcast employees serving in several metropolitan areas, including Philadelphia, Pittsburgh, and Boston. The program will be made available to Comcast employees across the nation in the coming months.

F. Comprehensive Stakeholder Campaign (Conditions XVI.2.g-i)

Comcast's extensive partnership with a diverse array of leaders from the education, government and non-profit sectors across the Comcast service area is the cornerstone of the *Internet Essentials*' communications plan. Comcast worked with these partner organizations to help educate eligible families about *Internet Essentials*, distribute promotional materials, and spread the word about the benefits of this broadband adoption opportunity. Reference materials include a "Partner Program Guide" that describes how *Internet Essentials* works and how partners can help more students and families get online. See Appendix C.

The results of this comprehensive outreach campaign — the scale and extent of which went far beyond anything contemplated by the Condition — speak for themselves.

1. Schools

Thousands of schools helped promote *Internet Essentials* to eligible families by allowing Comcast to send literature to students and families at the start of the 2011-2012 school year. Comcast's "Spread the Word" campaign consisted of flyers and brochures that schools could include in their communications to families; posters they could put in their computer labs, hallways, and offices; and, pre-formatted advertisements and background information they could easily insert into their e-mail blasts and newsletters. Sample campaign materials are attached as Appendix D. Comcast created a full catalog of promotional materials with the input of school district leaders to suit their needs. These materials range from professional-looking posters to simple letters — and all of them are available through the online Partner Portal. For the 2012-

¹⁹ See Launch Report, *supra* n. 3, at 4.

2013 school year, Comcast has updated its materials — including a new poster campaign — and will once again provide schools with access to them at no cost. In addition, Comcast has expanded the materials beyond English and Spanish to 12 additional languages, including: Arabic, Oromo, Somali, Tibetan, Chinese Mandarin, Haitian Creole, Portuguese, Hmong, Korean, Vietnamese, Polish, and Russian.

Efforts to engage schools began with focused approaches to school leadership. Comcast directed outreach efforts at school district superintendents via in-person meetings, e-mails, telephone conversations, and distribution of Superintendent Kits. *See Appendix E.* Each Superintendent Kit contains a letter, a customized brochure with information about the program, and a flash drive pre-loaded with testimonial videos and links to *Internet Essentials* resources online. In addition, Comcast sent mailers directly to principals at schools within the Comcast footprint. *See Appendix F.* In 2012, Comcast will continue to engage educators leading up to and through the back-to-school season through continued personal engagement and a direct mail campaign targeting superintendents and principals in the top 600 school districts in the Comcast footprint with the greatest NSLP participation, representing 74.6% of *Internet Essentials*-eligible homes in the Comcast service area.

As a result of this extensive outreach campaign, by June 21, 2012, 8,417 partners who described themselves as an “educator” or “school district” had also signed on through the Partner Portal to help promote *Internet Essentials* to eligible families. This outreach by schools was crucial to the success of the effort, as nearly 41% of *Internet Essentials* families surveyed cited school communications as their primary source of awareness of the program.

Engaged school districts clearly resulted in more families participating in *Internet Essentials* than non-engaged school districts. For example, across the top 600 school districts in the Comcast service area, there is a statistically apparent correlation demonstrating higher performance in districts that ordered enough brochures for all students (or at least all eligible students) as opposed to districts that ordered lower quantities of materials.

2. Local CBOs

Over 4,059 CBOs, including churches, libraries, and parent-teacher associations have partnered with Comcast to help spread the word about *Internet Essentials*. As with all stakeholders, Comcast effectively used the Partner Portal to make it easy for these CBOs to participate. In 2012, Comcast will build on the successes and lessons learned from the 2011 launch of *Internet Essentials* by conducting strategic and targeted local outreach campaigns in the markets surrounding the 600 largest school districts. Each campaign will focus on engaging those organizations in the market that can drive awareness including:

- Government organizations such as local and state elected officials’ offices, libraries, and city/county/state social service agencies;
- Public service organizations such as local health clinics, low-income housing

associations, community centers, and computer labs;

- Non-profit community organizations such as Boys & Girls Clubs, YMCA/YWCA, civil rights, ethnic chambers of commerce, and business associations; and,
- Faith-based organizations such as churches, faith-based associations, and parochial schools.

3. National Community Partners

Comcast worked with CBOs that have both strong national and local presences to facilitate the growth of partnerships across the nation. The Company hosted interactive webinars and held face-to-face meetings with national staff and local affiliate leadership of the Boys & Girls Clubs, City Year, Teach for America, Big Brothers Big Sisters, United Way, One Economy, LULAC, and the National Urban League. These partners helped create an atmosphere of support and excitement around *Internet Essentials* by leveraging their relationships with the education community, sharing “best practices” with Comcast and each other and by driving other organizations to register at the Partner Portal.

4. Federal, State, and Local Officials

Federal, state, and local elected and appointed officials also played an essential role in promoting public awareness of *Internet Essentials*. These officials helped Comcast encourage local school districts to promote the program as a means of overcoming the achievement gap while providing a call to action for CBOs to utilize it as a tool to effect change in their communities.

As of June 21, 2012, Comcast had delivered the *Internet Essentials* message to over 100 members of Congress and more than 2,000 state and local officials. To broaden the outreach effort, Comcast also engaged leading intergovernmental associations at the state and local level like the National Governors Association, National Conference of State Legislatures, National Association of Counties, U.S. Conference of Mayors, National League of Cities, Women in Municipal Government, Asian Pacific American Municipal Officials, Hispanic Elected Local Officials, National Black Caucus of Local Elected Officials, National Conference of Black Mayors, and various other organizations of elected officials. Comcast will continue to update these officials with information on *Internet Essentials* program enhancements as well as events associated with the 2012-2013 school year.

The support that the program received from these key stakeholders exceeded all expectations. Indeed, government officials from across the country lavished praise for *Internet Essentials*. For example, speaking at the May 31, 2011 *Internet Essentials* launch event held at the Woodson Library, Chicago Mayor Rahm Emanuel said, “Having access to high-speed Internet service allows children to do schoolwork, adults to find jobs and grow the city’s economy, and families to learn and explore together. The *Internet Essentials* program is a

perfect example of the city's government and business community working together to craft innovative, competitive solutions to the important problems facing our citizens." Speaking at the launch event held at the Salvation Army Kroc Community Center on September 6, 2011, Philadelphia Mayor Michael Nutter noted, "It is critical that we make sure that everyone, to the greatest extent possible, has access to the Internet, the information it provides, the worlds that it opens, but especially for our children as they do their homework and projects. Everyone — every person — children and adults, need that access because it will not only close the digital divide, it actually helps to level the human playing field. And that is what [*Internet Essentials*] is really about."

5. Education Associations

Comcast also engaged dozens of national education organizations to collaborate on best practices in student and educator engagement and to get their membership involved with publicizing the benefits of *Internet Essentials*. These organizations include the National Parent Teacher Association, National School Boards Association, American Association of School Administrators, Consortium for School Networking, Council of the Great City Schools, State Education Technology Directors Association, the Council of Chief State School Officers, the National Alliance of Black School Educators, and the American Library Association, among others. Comcast has also worked with the staff of the Alliance for Excellent Education, National Association of Public Charter Schools, and the National Policy Alliance to explore alternative avenues to provide *Internet Essentials* information to students, families, teachers, and administrators.

G. More Than Just Broadband Service

1. Computer Setup Support (*Conditions XVI.2.l.i-iii*)

Included with the Activation Kit are printed step-by-step guides on how to setup *Internet Essentials* access from any personal computer. For ease of reference, the Activation Kit also prominently features the toll-free support number where customers can obtain 24/7 support for any questions or issues about using their XFINITY Internet service. Internet Essentials customers can also take advantage of the comprehensive support tools available online, including live chat with CAEs.

2. Free Security Software (*Condition XVI.2.l.iv*)

To ensure that *Internet Essentials* users have a secure online experience, all *Internet Essentials* subscribers enjoy access to the Constant Guard all-in-one security dashboard (a \$360 value), at no additional charge. Constant Guard helps protect passwords, secure credit card information, and setup safe, one-click access to online accounts. In addition, Constant Guard includes the Norton Security Suite's top-rated tools for core protection against viruses and other cyber threats.

3. Digital Literacy Training in Print, in Person, and Online (*Condition XVI.2.c.iv*)

Comcast developed and deployed an ambitious digital literacy strategy — one that extended beyond the original commitment the Company made to the Commission. In addition to the printed Welcome Kit materials discussed above, Comcast also offered online and in-person training. And, as announced in the Launch Report,²⁰ the Company significantly expanded and enriched *Internet Essentials*' online training component.

a. Online courses

Comcast developed the *Internet Essentials* Digital Learning Center, which serves as a central hub of online digital literacy training materials, providing easy access to a simple curriculum to help families improve their digital literacy. The website is available in both English (www.InternetEssentials.com/learning) and Spanish (www.InternetBasico.com/aprender), and features tutorials on how to set up e-mail, guard against viruses and other malware, keep children safe on the Internet, locate useful resources, and find Comcast support for service issues.

In preparation for the 2012-2013 school year, *Internet Essentials* continues to improve the user experience of the Digital Learning Center by making it more intuitive and boosting the use of interactive content. The English-language version of the enhanced Digital Learning Center is available to everyone (not just *Internet Essentials* customers) and includes a refreshed design that features a virtual guided tour for easier navigation, a new social media section with tips, and a collection of new digital literacy education videos. These informative and short videos cover topics like How to Search the Web, Email Basics, Educational Resources/Homework Helper, Health Care Resources, Introduction to Social Media, Online Job Search Tools, and Online Safety.²¹ The videos star NBCUniversal talent, including Al Roker from NBC's *Today* Show and Telemundo's José Díaz-Balart.²² Additional videos from NBC Learn, the educational arm of NBC News, are also now available on the Digital Learning Center and focus on safety and security topics ranging from spam and spyware to cyberbullying.

b. In-person, classroom-based "Training Days" (*Condition XVI.2.l.v*)

Internet Essentials offers free in-person digital literacy training to empower students and parents alike to make safe and responsible use of computers and the Internet. Lessons range from topics such as "Internet Basics" and "Computer Basics" to "Tech Goes Home: 21st Century Skills" and other courses focused on giving parents and students the tools and know-how to use technology for education and job-skills training. Participation in the in-person training sessions

²⁰ See Launch Report, *supra* n. 3, at 38.

²¹ See <http://learning.internetessentials.com/interactive-tutorials>.

²² The Spanish-language version of the Digital Learning Center will launch in August 2012.

is offered on a first-come-first-served basis and is not limited to *Internet Essentials* subscribers. These in-person digital literacy training sessions were delivered primarily in English and Spanish, with several sessions facilitated in other languages including Mandarin Chinese, Creole, Arabic, Bhutanese, Burmese, Korean, and Vietnamese.

Working in close collaboration with its partner CBOs, Comcast held or sponsored over 400 in-person digital literacy sessions during the 2011-2012 school year with more than 3,000 attendees. Participating CBOs include a number of libraries in addition to organizations such as the Boys and Girls Club, the National Urban League, IBA (*Inquilinos Boricuas en Acción*), LIFT Inc., and the YMCA.

Comcast continues to review the training program with its partners based on feedback obtained through one-on-one interviews, focus groups, and trainee surveys. This feedback has been and will continue to be used to improve future *Internet Essentials* digital literacy training strategies, curricula, and outreach efforts. Starting in April 2012, Comcast shifted the in-person training component from a Comcast-designed curriculum to a paid sponsorship model of local organizations offering their own digital literacy trainings. Under this model, CBOs in local markets who are already established as credible digital literacy training providers schedule, promote, and host in-person digital literacy training sessions. In addition to Comcast sponsorship dollars, the enhanced training model encourages more participation in trainings as attendees regard these local CBOs as experts in the digital literacy space. Each of these sessions is promoted by the hosting CBO and course information is posted on the “In-Person Training” sub-page on the *Internet Essentials* website.²³

²³ See <http://learning.internetessentials.com/free-person-training> (results based on ZIP code search). The full list of upcoming training sessions is available here: <http://learning.internetessentials.com/free-person-training?rad=all>.

II.

ANALYSIS OF THE PROGRAM'S EFFECTIVENESS

A. Key Performance Metrics

1. Number of Participants and Discounted Computers

Over 91,000 eligible households have participated in the program over this first year. By connecting these 91,000 families, *Internet Essentials* introduced the power of the Internet into the homes of an estimated 182,000 children and 364,000 low-income Americans, most for the very first time. The program also distributed more than 11,548 computers at \$149.99 each.

2. Effectiveness of the Awareness Campaign and Application Process

Comcast carefully analyzed its own data and also commissioned third-party survey research in connection with the launch and continued rollout of *Internet Essentials* — including surveying families who signed up for the program and families who did not.

As discussed in the Launch Report,²⁴ key metrics of the program's effectiveness include the call statistics tracked by the dedicated *Internet Essentials* call center. Since launching *Internet Essentials* in the 2011 back-to-school season, the call center received 712,745 phone calls inquiring about the program. Call statistics for the period ending on June 21, 2012 break-down as follows:

- 109,625 were ineligible for *Internet Essentials* (15% of the total and 19% of the callers who did not request applications).
- 75,762 calls were follow-ups to previous orders (11% of the total and 13% of the callers who did not request applications).
- 39,611 were dropped calls or hang ups (6% of the total and 8% of the callers who did not request an application).
- 344,438 were calls requesting general information about the program (48% of the total and 60% of the callers who did not request applications).
- 143,309 were calls that resulted in applications being sent (20% of the total). Of those:
 - 67.9% or 97,270 were submitted and accepted; 2.9% or 4,196 were submitted but returned to the customer for correction. Comcast's "resend and remind" program

²⁴ See Launch Report, *supra* n. 3, at 8.

followed up with the vast majority of these families by providing a replacement application and asking them to correct or complete the application and then resubmit it for approval.

- 29.2% or 41,843 were never returned by the customer.

3. General Satisfaction

Six months after the exceptional results featured in the Launch Report, satisfaction with Internet Essentials continues to be very high: 86% of *Internet Essentials* customers surveyed are “highly satisfied” with the product, and 96% of these surveyed customers would recommend *Internet Essentials* to others.

Survey responses to usage questions showed that users are embracing their broadband connectivity: 83% of respondents said they use the *Internet Essentials* to go online on a daily basis, and, more importantly, 93% of respondents said that the children in their household were making use of the service. A considerable number of survey participants said that they used the *Internet Essentials* service for general information research (93%), school assignments (90%), and social networking (81%). Other popular uses include online bill payment (53%) and employment searches (50%).

The priority that Comcast has placed on customer care also received high marks from survey participants: 89% stated that they were “highly satisfied” with Comcast’s customer service and 89% of those who required an on-site Comcast technician to connect their *Internet Essentials* service indicated they were satisfied with the installation. In addition, a very high number (87%) of survey respondents also said they were “highly satisfied” with the reliability of their *Internet Essentials* broadband connection.

III.

SUMMARY OF ENHANCEMENTS TO THE PROGRAM

Deployment of *Internet Essentials* has been an iterative process, as noted above, in which refinements have been made and tested along the way in response to feedback and the results of constant and ongoing self-evaluation of the program. Key enhancements and modifications were made throughout the first year of the program, in a constant quest to improve awareness, facilitate the application process and eligibility confirmation, and provide service installation and digital literacy training.

A. Enhancements Made Over the Course of 2011

Since launching the program in the 2011 back-to-school season, Comcast:

- Updated the *Internet Essentials* call center training and scripts to more quickly and directly initiate the enrollment process.
- Initiated a “resend and remind” program which automatically sends replacement application kits to those who have failed to return an application within three weeks of receiving it.
- Added the option for applicants to fax back applications.
- Began accepting prior year NSLP letters as supporting documentation for the eligibility check.
- Inserted a brightly colored reminder checklist into the application kit to ensure documentation is filled out properly the first time.

B. Enhancements Announced in the Launch Report

Comcast also fulfilled each of the six enhancements announced in the Launch Report²⁵:

- In February 2012, Comcast began trialing a program that gives third parties such as schools and community based organizations the ability to purchase *Internet Essentials* service and equipment in bulk for families in their community. By June 2012, Comcast had launched the bulk registration program nationwide.
- By March 2012, Comcast had implemented an instant approval process for families whose students attend Provision 2 or NCES-validated schools with 75% or more

²⁵ See Launch Report, *supra* n. 3, at 4-5.