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VISIONTECH360

CenturyLink Internet Basics Independent Researcher Report

October 15, 2013

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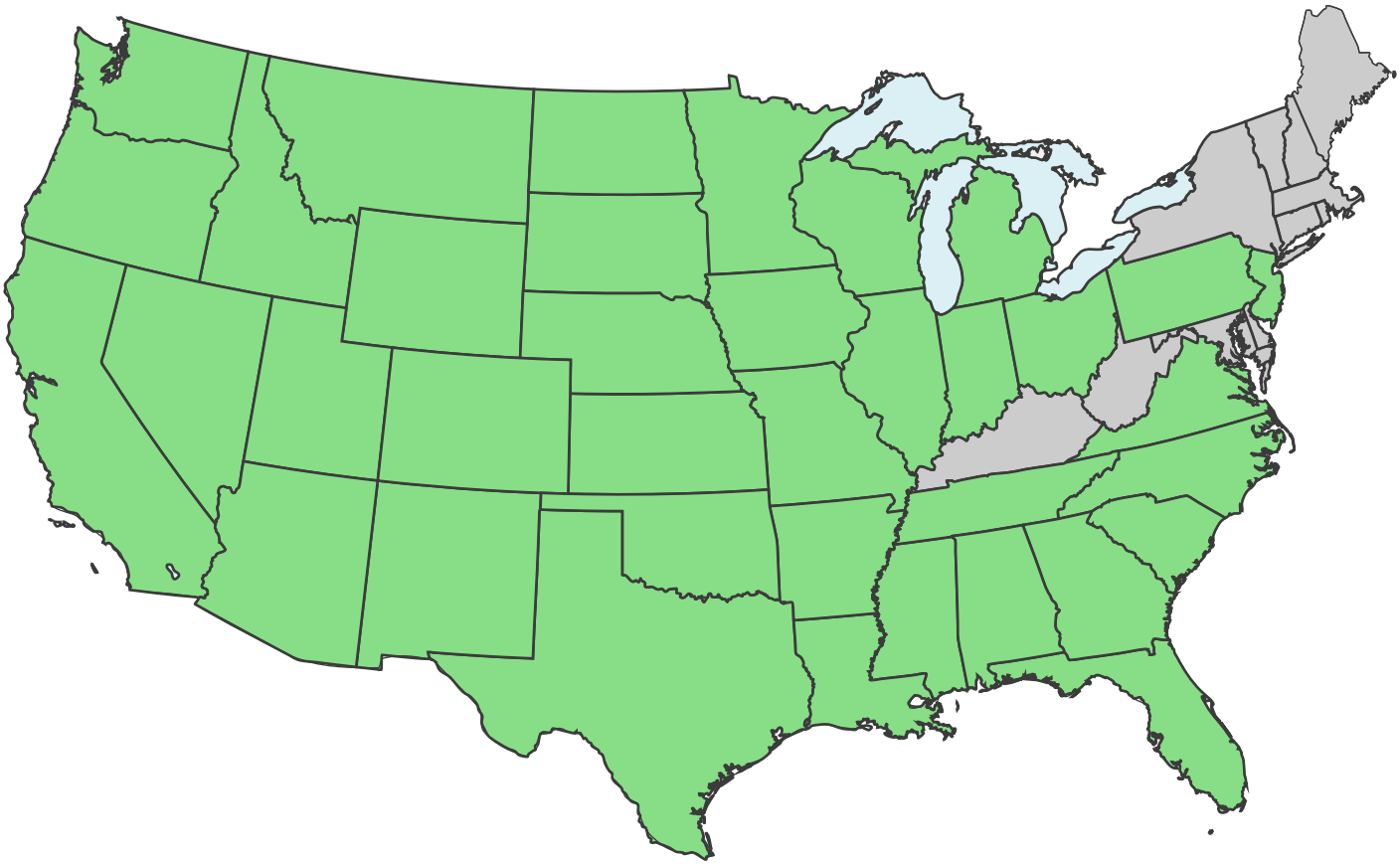
Executive Summary

CenturyLink 39 States



41% of Mississippi household lack Internet

Compared to 20% of Washington State

The nation as a whole is at 31%

Major Factors

associated with low broadband adoption

Limited Income

Older Americans

Low Educational Attainment

Racial & Ethnic minority communities

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Extensive Commitment

- Prepared & distributed 3,058 individual news release
- $4.8 million were spent on advertising, other media outreach, and promotion
- Distributed nearly 165,000 flyers
- Involved (organized & participated) in 231 community events
- Attended 700+ meetings with local officials & community leaders
- Established 1,130 partnerships with local organizations
- Organized & conducted 123 individual trainings
- 100+ CenturyLink employees were engaged

Overall Impact

2,519
people trained

40,584 people receive
Internet Basic discount

2,210
netbooks sold

CenturyLink Diversity

create challenges reaching non-adopters

Percent over 65 years old

Georgia (7%) → Florida (21%)

Percent in Poverty

South Dakota (4%) → Virginia (17%)

Percent None White

Indiana (5%) → Georgia (44%)

Percent High School Only

Utah (14%) → Oklahoma (32%)

Implications for Providers

1. Broadband providers have several important role they may choose to play in expanding broadband adoption:

    - Convene a local coalition of public and non-profit organizations.
    - Tap company marketing expertise to create professional grade awareness campaigns.
    - Partner with community based organizations to find affordable solutions to connect non-adopters to the Internet.
    - Serve as a community resource on broadband and its potential application.
    - Sponsor, where appropriate, discounted service offering incent non-adopters to utilize broadband.

2. The direct economic return from provider engagement in targeted broadband adoption programs is likely limited.

3. Seniors are an important and sometimes overlooked audience

4. Conventional media approaches are not necessarily a solution to reach the target audience, especially in rural areas.

5. Broadband adoption programs are an opportunity to forge important relationships with local as well as statewide partners

Implications for Public Policy

1. Simply making broadband available, even at a highly discounted price is not by itself a solution.

2. The Internet Basics program experience points to the importance of customizing content to be relevant to the particular needs of specific, yet very diverse groups of non-adopters.

3. Broadband providers can be an effective and important partner in advancing solutions to address the challenge of connecting non-adopters to the Internet; but the resource requirement is substantial.

4. Funding is needed not only for program delivery, but also the management and coordination of diverse coalitions.

5. Adoption programs targeted to seniors are especially needed.

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CenturyLink Internet Basics Year-Two Independent Researcher Report[1]

Introduction

As the result of a CenturyLink (Company) voluntary commitment[2], the Internet Basics Program was established in 2011. This program is one of a handful of broadband provider sponsored initiatives that will provide the Federal Communications Commission (FCC) with insights on innovative public and private partnership approaches to expand broadband adoption. This report is the second annual review of the CenturyLink Internet Basics Initiative. The Year-One Report[3] summarized program results from the initial launch (October 3, 2011) through September 30, 2012. This second report takes a comprehensive look at the two-year initiative with a focus on providing both the FCC and the Company with understanding of major lessons learned. In particular, opportunities for potential replication and refinement of similar public and private broadband adoption initiatives if desirable.

Several important lessons emerged from the first year experience and have continued to be reinforced in the second full year of program operation including:

Highly customized targeted initiatives essential to reach "non-adopters": Non-adopters are often geographically isolated and/or a part of specific cultural communities that are not easily reached through standard marketing and media approaches.

An extensive resource commitment is needed to achieve impact: The Company dedicated nearly $4.8 million of resources for program awareness outreach, training and program implementation over a two-year period.

A combination of private, non-profit and public sector resources required: While results indicate the broadband provider industry can be an important contributor to initiatives that impact broadband adoption; substantial public and non-profit sector participation is also required.

These three core lessons learned and the implications for both broadband providers and the design of public policies to expand broadband adoption are highlighted in a later section of this report. First, a review of the CenturyLink Internet Basics Year 2 Program strategic focus and results is provided as additional background.

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[1] Prepared by Visiontech360, Spokane WA.
[2] FCC 11-47 Memorandum & Opinion, March 18, 2011.
[3] CenturyLink Internet Basics Independent Researcher Report One submitted October 15, 2012.

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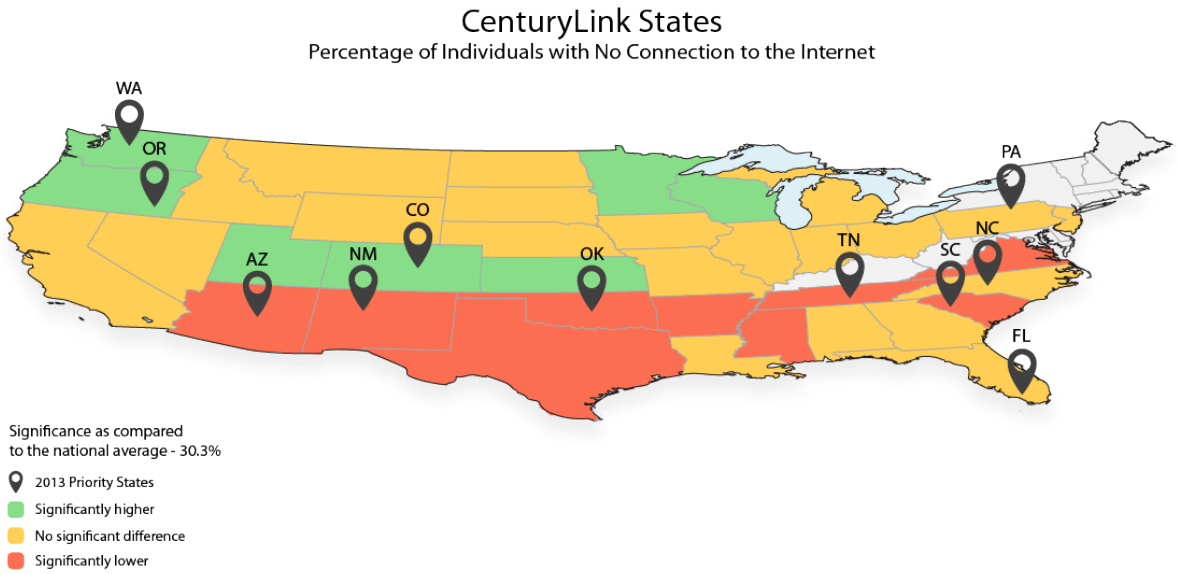
Diversity Across CenturyLink Markets



CenturyLink has broadband customers in 36 states touching all regions of the county (see map above). Broadband adoption rates vary significantly across CenturyLink states[4]. For example, according to the most recent US Census household survey (2011), 41 percent of households in Mississippi do not presently access the Internet at any location. On the other end of the continuum is the State of Washington where only 20 percent of households do not presently access the Internet at any location. For the nation as a whole, 31.3 percent of households do not access the Internet at any location.

Consumer surveys consistently identify four major demographic factors are associated with low broadband and Internet adoption rates:

- Limited income
- Older Americans
- Low educational attainment
- Some racial and ethnic minority communities

These factors operate to impact broadband adoption rates in CenturyLink States as well. States such as Mississippi have a high rate of poverty, low educational attainment, an older population and a large percentage of Black Americans compared with the national average. It is important however to recognize that state averages mask demographic diversity

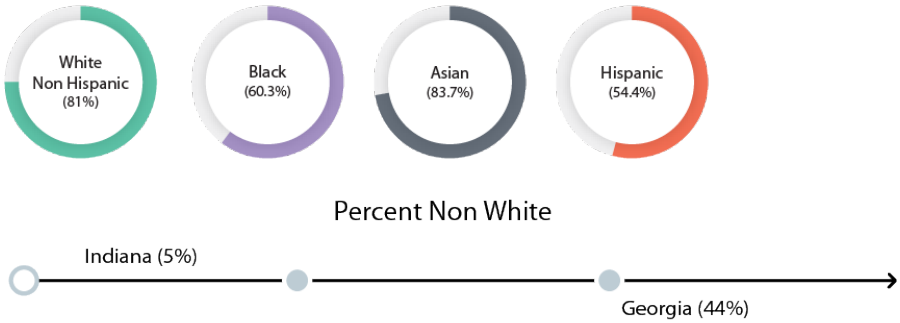
[4] Broadband adoption rates are for 2011 and reported by the US Census Bureau household survey summary report with the title "Computer and Internet Use in the United States". May 2013.

within states. For example, even though the State of Washington is found to have the lowest non-adoption rate in the country, within large CenturyLink markets such as Seattle, there are significant numbers of people with demographic characteristics consistent with low adoption.

On average, the demographic make-up of the CenturyLink[5] national market mirrors closely that of the nation as a whole. One exception is the non-white population in areas served by CenturyLink broadband is only 20 percent compared to a national average of about 30 percent non-white. Among racial and ethnic minority populations, Black Americans and Hispanic Americans are identified in most consumer surveys as more likely to be non-adopters of broadband.

Internet Adoption by Race

Approximately 20% of CenturyLink Customers are from minority populations. Hispanic and black populations significantly less likely to adopt broadband.

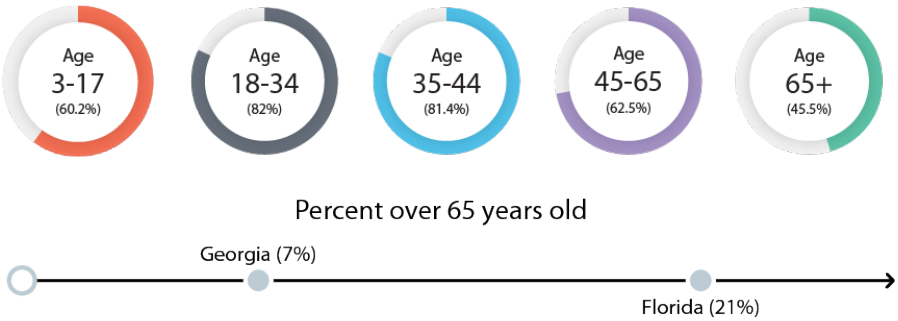


While more than 80 percent of White Non Hispanic and Asian populations access the Internet, only 60 percent of Black Americans and 54 percent of Hispanic Americans utilize the Internet. As noted in many CenturyLink States these non-adopting populations are concentrated in urban population centers, however in other states, especially in the South, minority populations are dispersed statewide, many in isolated areas. The percentage of non-white population ranges from 44% in CenturyLink customer areas of Georgia to only 5% in CenturyLink customer areas of Indiana illustrating this wide diversity within Company markets.

[5] CenturyLink Demographic statistics are reported as an average numbers for 36 CenturyLink States within the on-line National Broadband Map. Citations of demographic data for specific CenturyLink States were provided by the Company and are sourced to the 2010 Census.

Internet Adoption by Age

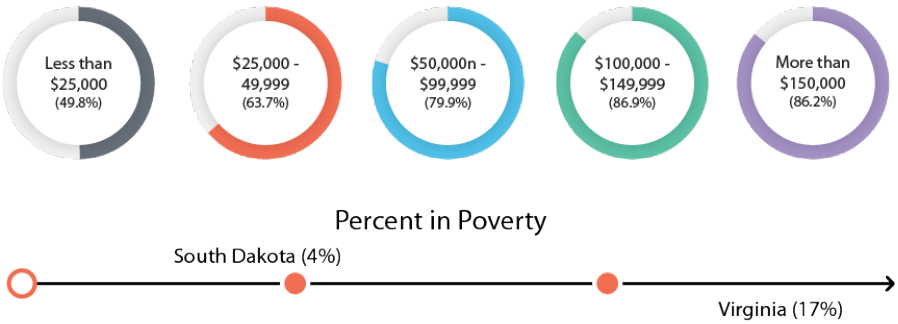
Approximately 18% of CenturyLink Customers are age 60 years or over. Older Americans are substantially less likely to adopt broadband.



Older American's in particular are often recognized as low adopters of broadband and use of the Internet. As is the case for the nation as a whole, slightly less than one-fifth of CenturyLink customers are older than age 60. Older Americans (those over the age of 65) are only half as likely to access broadband and the Internet as customers in the 17 to 44 age demographic group. Again the data indicates a wide diversity of age structure across CenturyLink markets. In Florida 21 percent of the customer base served by the Company are older than 65 years of age. However, in Georgia, only 7 percent of the customer base served by CenturyLink is older than 65 years of age.

Internet Adoption by Income

About 12% of CenturyLink Customers live in poverty. Those with less income are much less likely to adopt broadband.

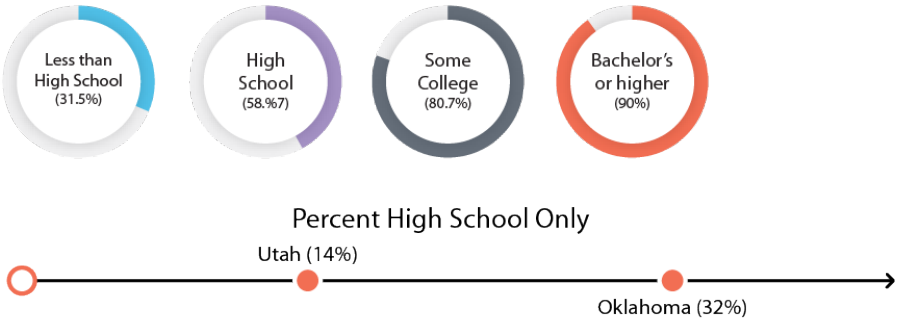


Income is a universal factor impacting adoption across all markets. While the customer income profile can vary dramatically across CenturyLink markets, on average the percentage of people living below poverty averages about 12 percent across all CenturyLink states Poverty rates tend to be highest in many of the Southern States. But pockets of poverty, including both rural and urban, are present in most states served by CenturyLink. Among markets served by CenturyLink, the poverty rate in Virginia is the highest (17%) and the lowest is in the States of South Dakota, Utah and South Carolina (7%). Those living on limited incomes are much more likely to be non-adopters of broadband than are those with the benefit of higher incomes. Poverty presents multiple

issues for broadband adoption including affordability. But also other issues that include awareness of potential benefits as well as digital literacy skills are barriers to adoption.

Internet Adoption by Education

About 17% of CenturyLink customers lack a high school education. People with less than a high school education are one-third less likely to adopt than those with a college degree.



Closely aligned with income is education. The 2011 U.S. Census household survey found that those individuals over the age of 25 lacking a high school education are approximately 3 times more likely to be a non-adopter than those with a bachelor's degree or higher. On average, in Century Link states, a little less than one-fifth of the population over age 25 has not obtained a high school degree. However, again the variance across markets is evident for the data. In Utah, only 14% of the population is educated solely to the high school level. In the state of Oklahoma, 32 percent have a limited education of high school only. Areas with high concentration of people with limited education are closely aligned with the same areas that have high poverty rates creating a double challenge in promoting broadband and Internet adoption.

These demographic metrics often associated with low adoption illustrate the wide diversity of CenturyLink markets. Yet there are two other factors of diversity that also impact adoption. CenturyLink has a high concentration of customers in low population density and generally rural areas across the country. The adoption challenge in rural areas is complicated by the high cost of providing broadband service to low density areas, especially those areas with topological and terrain challenges that increase the cost of deployment. Also it is generally more costly to distribute awareness information and conduct trainings to widely dispersed populations in efforts to encourage expanded adoption. These issues are in addition to the universal demographic subscription barriers already identified.

Finally, it is important to recognize the special challenge of populations living on Federal Tribal Lands. These populations are among the most limited in the nation with regard to broadband access. The challenge typically includes all the impacts of low population density, topological as well as terrain barriers associated with rural locations. But, in addition, Tribal populations are sovereign governments and have a unique cultural identity that make standard approaches to implementing broadband adoption programs difficult to implement.

Because the Tribal Council serves as the lead entity when trying to communicate with many of the tribal lands, direct access to their nonprofits and social service organizations proved challenging. However, CenturyLink worked to identify not only each Council contact, but also compiled a list of the social service organizations within each Federally-recognized tribe located in its markets. Websites such as TribalDirectory.com and NCSL.org/issues-research as well as the *Indian Country Today* magazine were utilized as research tools by CenturyLink share Internet Basics flyers, bulletins, brochures and ads with tribal leaders and tribal lands' social and community service contacts. Tribal newsletters were always a part of the company's outreach and promotion efforts. Tribal populations represent less than one-half of one percent of the customer base in areas served by CenturyLink; however, their populations in states such as New Mexico, Washington and Arizona were a major part of the high-poverty audience in some of its markets.

The Program Design Challenge

The CenturyLink Internet Basic Program differs from other pioneering provider led broadband adoption initiatives with respect to the target market(s) to be reached. Most other similar provider led initiatives aimed specifically to the "back-to-school" market. That program design has an advantage of providing a clearly defined target population (specifically free and reduced lunch students and families) as well a defined partnering institution.

In its voluntary commitment to the FCC, CenturyLink proposed a program design targeting "Lifeline eligible" customers. This approach has an advantage of providing greater complementarity to the national effort, as it would not be advantageous for CenturyLink to address the same population in a market area that is also served by a competing company. It also provides a demonstration of a private provider-led program that reaches deeper into the community base of non-adopters as compared with the more targeted back-to-school approach. However, at the same time, the general focus on the Lifeline population has created significant challenges for an effective program design that utilizes budget dollars for maximum effectiveness.

Even though the Company dollar commitment to the Internet Basics Program is substantial, careful targeting is still needed to create meaningful impact. A core lesson learned from year-one was that a "one-size-fits" all program design is simply not feasible, nor effective. Each non-adopting community is unique, and each requires targeted outreach materials and appropriate "inside partners" to reach targeted households and individuals.

The Market Development Managers (MDMs) found that by working with local communities in sponsorship activities (sponsoring summer reading programs at libraries, hosting a senior Internet training and computer give-away, providing give-aways at back-to-school events, partnering with local businesses to host a lunch&learn event for parents, etc.)

helped to provide the type of goodwill and program awareness needed. The local employee team learned to look for those unique outreach efforts that connected them to communities and to people.

Internet Basics Workshop
Seattle, WA
March 30, 2012

Over 90 Senior Citizens attended the Internet Basics workshop at the Chinese Information and Services Center (CISC) in Seattle. Even though 30 people were expected, the room was large enough to accommodate every senior who attended so that each had a place to sit, could see and understand the PowerPoint presentation (translated into Chinese characters) and hear it presented in spoken languages that alternated between Mandarin and Cantonese for each slide.

CISC serve low-income clients. Many do not speak English and rely on CISC to navigate the myriad of government, health, community and education services. The broadband service that CenturyLink offers to those with low-income on government assistance is seen by some as a connection as valuable as having a phone, running water or electricity. With this workshop presented in their native language, participants could ask questions of the presenters and get answers, without an interpreter. Convenient, direct, and of true value.

This successful workshop could not have happened without the partnership between CenturyLink employees and the Chinese American Community in Seattle. CenturyLink employees were on hand and 13 orders resulted on the day of the workshop

As the above example of a successful Internet Basics Workshop held in Seattle illustrates, there is much that must be aligned to implement a successful training and/or outreach workshop to targeted populations typical of those that currently do not adopt the Internet. This workshop would not have happened without CenturyLink sponsorship and an established relationship between a CenturyLink employee and the Chinese American Community in Seattle. At the same time, the attendance exceeding expectation would not have been achieved without the partnership with a local community based organization that is well connected to the targeted population. Most important, the workshop would not have been nearly as successful without the extra effort that went into preparing materials in the two native languages of the Chinese community and establishing relevance by explaining how the Internet can be used to help the community connect to much needed government services important to them.

The bottom line is one-size program design cannot fit all situations, if the goal is to reach non-adopters in a meaningful way. In year one, the goal was to experiment with the deployment of the program in as many states as possible and learn from these early trials. The Year 1 pilot efforts were reviewed carefully by CenturyLink leadership including the Company CEO, relevant executive staff, as well as the many field staff (Market Development Managers (MDMs), Policy Managers and Retail Staff) to assess opportunities for improvement. A primary revision to the program design implemented for year two was to more intentionally target available budget and personnel resources towards specific

market opportunities with potential for success as well as high need. Senior Company leadership in consultation with MDMs and other field staff selected 11 markets as priority targets within the following states:

- Arizona
- Colorado
- Florida
- New Mexico
- North Carolina
- Ohio
- Oklahoma
- Oregon
- South Carolina
- Tennessee
- Washington

The target markets were selected based on percentage of population with demographic characteristics consistent with low adoption levels. The list also represents a balance cutting across the major geographic areas where the Company has a presence. A fixed percentage of the available marketing and promotions budget was assigned to be concentrated in the 11 priority states. However, the program continued to be offered in all states where CenturyLink has a significant broadband provision presence.

This more targeted focus helped better utilize region MDM resources who were able to specifically focus on sharing information and benefits of the Internet and computer access as well as on the provision of additional computer training classes in targeted areas. Setting the stage for more focused use of Company personnel and for strategic collaboration with partnering organizations and soliciting the support of local and federal elected officials helped to maximize local benefits of the Internet Basics program.

Other major changes in 2013 included some refocusing of training content and strengthening of target delivery approaches. Specifically based on a review of year-one program results, there was an intentional refocusing on training and awareness content that stressed relevancy to target populations. This included customized approaches for specific audiences such as seniors. Multi-media information delivery approaches such as videos, radio, public service announcements, and newspaper ads focused on the message of the relevance and necessity of Internet access. These information segments were customized to include images that would be culturally relevant to the specific target audiences in the priority markets. Also in 2013, more hands-on computer demonstrations were provided and encouraged through local partnerships with libraries and in Internet Basics training sessions.

Program Delivery Highlights and Lessons Learned

A complete summary of Internet Basics Program expenditures, resource commitment and outcomes delivered is provided in the October 2013 Company Summary Report. That information will not be duplicated here. But several highlights are re-emphasized here with an emphasis on several major "lessons learned" that are important to consider for future program replication by other broadband providers as well for fulfilling CenturyLink's continued on-going commitment to support broadband adoption within the communities it serves.

Highly customized targeted initiatives are essential to reach "non-adopters"

As already emphasized above, there is not a one-size-fits all approach that can be successful in reaching non-adopters in all markets. By emulating the Lifeline program qualifications, the Internet program tackled a more expanded target audience rather than a more narrow focus on those with children on the "National School Free Lunch Program." CenturyLink launched its low-income service, discounted computer and training classes with a focus on service area consumers who felt that the Internet was too expensive, who lacked computer equipment and on those who did not believe that the Internet was relevant.

CenturyLink believed that the promotion of its reduced price service and the new $150 computer would generate a great deal of interest from the greatest percentage of those in its service areas who did not have online access. Utilizing mainly newspaper ads and direct mail to its existing Lifeline customers, CenturyLink promoted its Internet Basics program across its entire market and offered its basic computer and Internet training classes to any groups interested in the training. During the first three months, the company developed training materials, taught its market development managers, its retail team and other local partners how to teach the classes in order to meet the need in its service areas. The company also partnered with local nonprofits, broadband stimulus grant recipients and libraries to help with the training and the marketing. However, in spite of its efforts, the company made an important discovery.

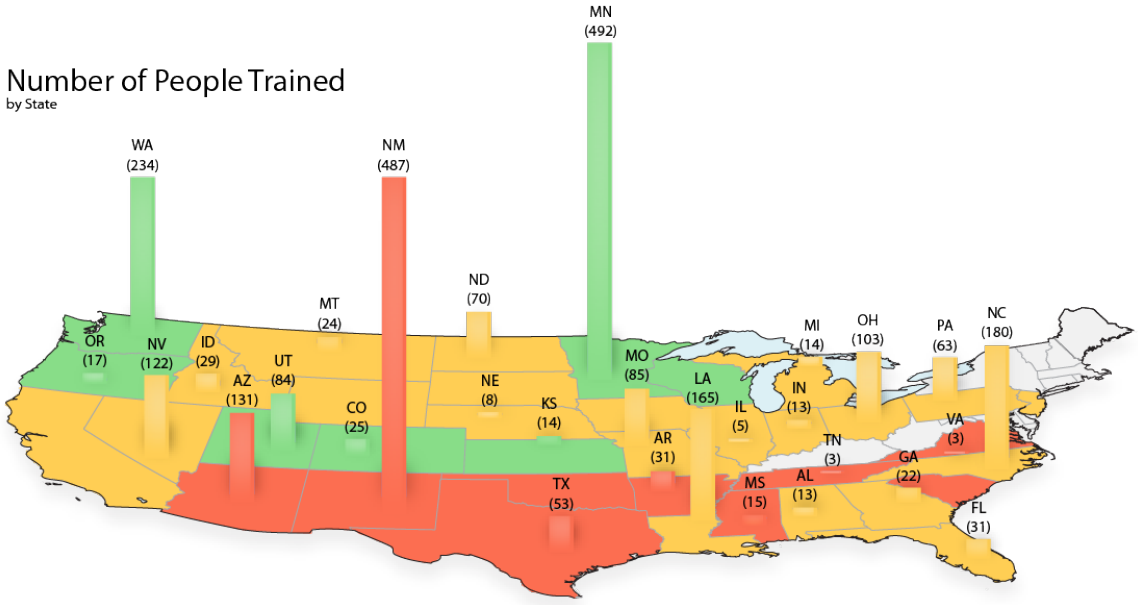
A large percentage of the households that CenturyLink was trying reach had members who had never used the Internet in the home and simply could not see the need for the service or equipment. Without children in the home, a number of states had markets with a high incidence of disinterest in home Internet use. It was a barrier that the company had to overcome. In creating its online tracking tool to capture outreach and promotion activities, the company also included a short survey that captured information from those taking the training as well as those teaching the classes.

Results of the surveys indicated that consumers with limited exposure to home Internet use had a lack of exposure to the benefits of the Internet and to the ease in which computers could be utilized. It also indicated that older Americans had the greater interest in the training classes and that many of them either had computers at home, but no

Internet or an Internet connection, but did not know how to use the computer. The company realized that before it could effectively "sell" the product, it had to promote and sell the benefits of its use to consumers.

This led to several changes in its marketing and promotion approach. The collateral content was changed to reflect the many ways the use of the Internet and computer could empower economically, socially, educationally, culturally and physically. The goal was to bring education and awareness (that the Internet was no longer a luxury, but a necessity in every household) to consumers through the use of many local voices within their communities, schools, and social service organizations. Because weekly newspapers had a greater reach and could easily be used to supplement the distribution of flyers and brochures, they were used in all of the prioritized states and in several of the non-prioritized areas. This included placements in Hispanic and African-African newspapers as well as on several radio stations.

The simple message was paired with images of the targeted audiences (African-Americans, Asian-Americans, Hispanics, elderly, Native-Americans, etc.) residing within the demographic areas where promotions were most needed and as reflected by the latest Census county data. As a result of the changes, the company saw greater numbers of elderly, ethnic and minority populations participating in the training classes and inquiring about its services.



Over a two-year period, CenturyLink trained more than 2,500 people at 123 separate Internet Basics training and awareness outreach workshops delivered in 29 states where the Company has a significant presence (See Map above). In areas where training sessions were not held, the company put forth greater efforts to share information about the

Internet Basics program while participating in the following activities: meetings with local officials (Directors and leaders of Boys clubs, United Ways, school districts, Councils on Aging, etc.); participating in community/school events; placing press releases about the benefits of the program; newspaper ad placements in low-income counties; and distribution of flyers to nonprofits and social service agencies in low-income communities. These included service areas in New Jersey, Iowa, Oklahoma, Wisconsin, South Carolina, and Wyoming where over 123 partner organizations assisted in the distribution of 7,500 flyers and brochures.

The diversity of population across the CenturyLink market area was established in the preceding paragraphs. As a result of this diversity, each training workshop had to be customized to a specific audience. In New Mexico for example, many of the trainings focused on low-income Hispanic populations. In the state of Washington, trainings focused on immigrant and senior populations. In Minnesota, the trainings were targeted to free and reduced lunch families. In Louisiana the trainings and outreach targeted low-income populations in partnership with local libraries. The Internet Basics training programs were particularly effective in engaging Senior Americans in all communities. Fifty-eight percent of those attending Internet Basics training workshops were older than 55 years of age; approximately half did not have an Internet connection at home.

Because each training and awareness education effort was targeted, it was necessary to customized training materials to meet the language needs, identify applications most relevant to the specific population targeted, forge new partnerships and so forth to make each program successful. Overall the targeted Internet Basics training approach appeared successful as 96 percent of training participants reported their Internet Basics training experience met or exceeded expectations.

An extensive resource commitment is needed to achieve impact

Because the CenturyLink markets are so diverse and the populations of non-adopters are each unique; the amount of resources required to have an impact are very large. In some cases, after dozens of hours of staff time expended and 100s of flyers distributed, only a few people would attend an Internet Basics training session. For example, CenturyLink partnered with the local library in the city of Springhill Webster Parish in northern Louisiana to hold an Internet Basics Training. Springfield is a relatively isolated rural community with just over 2,200 households. Approximately one-third of the community's population is African American and the median household income is $27,102 per year. The community's economy struggles in part as two major employers have left the area in the last few years. CenturyLink along with the local library expended substantial resources getting the word out about the opportunity; including a newspaper article, advertisement in the local newspaper, radio, distribution of local flyers and outreach by the local library. A CenturyLink employee traveled to the community to conduct the training. Extensive effort was made to encourage participation. Yet only three people were trained. However, for those three people the training was considered to be highly valuable. Two participants reported they desired to learn how to access the Internet to find work.

Stories such as this illustrate that while that targeted outreach to isolated populations of non-adopters can be very valuable to the individuals that participate; the resources required are extensive. To reach deeply into any community takes repeated messaging and outreach over time.

Over a two-year period, CenturyLink committed 4.5 million dollars and extensive hours of staff time to implement the Internet Basics program. This included

- Prepared and distributed 3,058 individual news releases.
- $4,794,889 were spent on promotions, advertising and other media outreach.
- Distributed nearly 165,000 flyers.
- Organized and or participated in 231 community events.
- Attended more than 700 informational meetings with local officials and other community leaders.
- Established partnerships with 1,130 local organizations.
- Organized and conducted 123 individual trainings.

The company touched every market where it has customers with this program and in the second year strategically targeted available resources to eleven priority markets in an effort to improve the impact.

Even with this extensive resource commitment and strategic attention to the program by the Company, the overall impact in terms of number of people impacted is modest.

- 2,641 people trained in CenturyLink states.
- 40,584 people purchased an Internet Basic discounted service connection.
- 2,210 netbooks sold.

A combination of private, non-profit and public sector resources required

Internet Basics Workshop
Naples Florida
December 14, 2011

The CenturyLink Market Development Manager consulted with the Collier County Education Foundation President to identify a local non-profit Take Stock in Children as a potential Internet Basics (TSIC) partner. TSIC works with children of low-income families, many of which qualify for Internet Basics benefits. CenturyLink and the local Education Foundation spread the word to over 100 TSIC families through a published brochure and word of mouth.

19 registered participants attended this Internet Basics Training. A local State Senator and State Representative launched the training and welcomed families in attendance. The Collier County Education Foundation President also welcomed families and stressed their partnership with CenturyLink.

The workshop was reported to be successful by participants. However, participants recommended the delivered content was as "too basic" leading to revisions of the curriculum content for later trainings. This workshop was the beginning of a longer-term partnership between CenturyLink and the Collier County Education Foundation spreading the word about the Internet Basics program opportunity.

The Naples Florida example (above) is typical of many of the more successful Internet Basics initiatives. Successful community outreach is most effectively accomplished through partnerships with local community non-profits and often with the support of elected community officials. Where these partners came together early on in the Internet Basics Program, there was often a longer term sustained community-wide effort with CenturyLink providing just one component of the local initiative. Other examples include Seattle where CenturyLink Personnel reached out to the Mayor's office and several local community non-profits to deliver a combination of digital literacy training, access to low cost refurbished computers and access to the CenturyLink Internet Basics service to qualified households in Seattle Public Housing and also to the Seattle low income senior population. In Arkansas, the CenturyLink partnership was with the Governor's office and local economic development initiatives. In New Mexico, CenturyLink personnel reached out to the Global Center for Cultural Entrepreneurship to establish a successful and sustained initiative to improve connection, especially among the Hispanic community. These are just several examples. But in general, in those circumstances where there is a sustained collaboration between the Company and local and/or statewide partners, the impact of the Internet Basics program was greatly enhanced.

Over the first two years of the Internet basics program, CenturyLink has established relationships with 1,130 local community partners ranging from Tribal Councils, to elected officials, to libraries and schools, to economic development offices. Many of these partnerships continue be sustained providing a benefit to the Company as well as to the community.

Summary and Implications

CenturyLink completed the second year of its Internet Basics rollout. Both substantial financial and personnel resources have been expended towards this rollout. All planned expenditure and delivery goals have been met or exceeded. The Company has made systematic effort to conduct marketing, awareness outreach as well as training to every state where it has customers. The marketing and awareness campaigns had the benefit of expertise provided by the Company's marketing professionals. More than 100 CenturyLink employees from locations throughout the United States were involved in promoting the Internet Basics Program. Services were offered at a substantial discount under standard market price.

Yet the number of people trained, the total number of Internet Basic subscribers and the number of netbook sales is quite modest relative to the level of effort and resources expended. That reality is largely due to the demographic as well as geographic diversity

within the CenturyLink market space as well as the reality that reaching non-adopters is complex and difficult under any circumstances.

These realities in no way take away from the observation that the Internet Basics Program has been beneficial to multiple people in the communities served by CenturyLink. Also the important new partnerships that have been formed between the Company, local and state officials, and many community-based organizations will likely produce dividends for all involved for years to come.

Implications for Providers

1) Broadband providers have several important roles they may choose to play in expanding broadband adoption:
    a. Convene a local coalition of public and non-profit organizations around a shared goal of expanding broadband adoption.
    b. Tap company marketing expertise to create professional grade awareness campaigns encouraging non-adopters to understand the value of broadband.
    c. Partner with community based organizations to find affordable solutions to connect non-adopters to the Internet.
    d. Serve as a community resource on broadband and its potential application.
    e. Sponsor, where appropriate, discounted service offering to incent non-adopters to utilize broadband.

2) The direct economic return from provider engagement in targeted broadband adoption programs is likely limited as the resource requirement relative to new customers gained can be substantial.

3) Seniors are an important and sometimes overlooked audience for provider initiated adoption programs

4) Traditional media approaches are not always effective in reaching widely dispersed rural communities. An alternative creative approach working through local partners is often necessary.

5) Engagement in provider sponsored broadband adoption programs can produce substantial returns in the form of fulfilling any desired corporate "community responsibility" goals. Broadband adoption programs are an opportunity to forge important relationships with local as well as state officials, and also a diverse array of community based organizations.

Implications for Public Policy

1) Solutions to the national challenge of connecting all Americans to the Internet is complicated as non-adopters tend to fall within communities isolated by culture, language, income constraints or geography. Simply making broadband available, even at a highly discounted price is not by itself a solution.

2) Funding awareness and outreach education with generic content is unlikely to have success. The Internet Basics program experience points to the importance of customizing content to be relevant to the particular needs of specific, yet very diverse groups of non-adopters.

3) Broadband providers are an effective and important partner to advance solutions that address the challenge of connecting non-adopters to the Internet. However, it must be recognized that the resources required to make an impact are substantial.

4) Results of the first two years of the Internet Basics Program point towards the importance of encouraging initiatives that bring together coordinated efforts involving community based organizations, local government, state government and private providers. To accomplish this end, funding is needed not only for program delivery, but also the management and coordination of diverse coalitions.